International Programs Congressional Budget Justification

FY 2025

U. S. DEPARTMENT OF THE TREASURY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 4, 2024

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Budget request for the Department of the Treasury's International Programs for Fiscal Year 2025.

Treasury's Fiscal Year 2025 request of $2.481 billion for International Programs reflects the importance of leadership from the United States in the interest of our national security, which is inextricably linked to our ability to support emerging markets and developing countries (EMDCs) through the Multilateral Development Banks (MDBs), the International Monetary Fund (IMF), and multilateral funds and facilities.

Treasury's international work supports the national interest of the United States. EMDCs around the world are facing an unprecedented number of global challenges, ranging from hardships due to conflict such as Russia's war against Ukraine to impacts from natural disasters leading to food and energy shortages. The international financial institutions are working hard to help these countries respond. The IMF continues to be vital in maintaining global economic stability, by providing critical financing to prevent and minimize the spread of economic and financial crises, while promoting economic reform. The MDBs serve as a primary source of policy advice, technical assistance and financing to the world's poorest and most vulnerable countries and are complemented by other, more specialized multilateral funds and facilities that target some of the most significant development challenges, including with respect to food security, energy access and security, infrastructure development, and environment and resilience.

The United States is a major architect of these institutions that were shaped with American core values of transparency, accountability, and anti-corruption. They continue to be critical and cost-effective partners in fulfilling many of the United States' national security, economic, and diplomatic priorities. Failure to respond to the pressing financing needs of EMDCs risks setting back progress on a range of U.S. policy goals in every corner of the world. For developing countries facing economic risks within their borders as well as spillovers from other countries, there are no better alternatives that would provide transparent financing at significant scale. If the United States does not step in, countries will increasingly turn to other actors, like China. Recognizing that global challenges can erupt quickly, transcend national borders, and directly affect the American people, we have used our shareholding at the IMF and the MDBs to mobilize swift, effective, and coordinated international responses to new and emergent priorities, including support for Ukraine, infrastructure development, and energy and food security. Treasury's Office of Technical Assistance provides critical bilateral assistance in support of our national security and economic agenda, including by combating terrorist financing and financial crimes, promoting financial stability, and helping developing and transitional countries fund and sustain their own development and reduce dependency on foreign aid.

Treasury's participation in multilateral debt initiatives enables us to negotiate best outcomes on behalf of the United States and U.S. taxpayers.

U.S. leadership in international efforts promotes global economic growth, national security, and stability that ultimately bring benefits to the American people. Treasury's International Programs support development and reform in countries of strategic importance, helping to address fragility and promote good governance that will make us more secure at home. These programs also help spur private sector-led economic growth and market development, helping to lay a solid foundation overseas that will attract U.S. exports and investment and lead to more jobs here in the United States.

We thank you for your consideration of this request.

Sincerely,

Janet L. Yellen

Janet L. Yellen

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FY 2025 Executive Summary

The President's FY 2025 Budget (the Budget) requests $2.481 billion for the Department of the Treasury's International Programs. Our programs bolster American leadership in the international financial institutions (IFIs). The resources requested will support developing countries as they tackle myriad challenges from food insecurity to inadequate infrastructure and establish paths to sustainable economic growth and job creation that are resilient to shocks. A thriving global economy increases opportunities for the American people by opening new markets for U.S. exports and investment that will strengthen U.S. economic prosperity, while also supporting stability which enhances our national security.

Eighty years ago, in the midst of World War II, the United States and our allies established the World Bank and the International Monetary Fund (IMF) on the principle that international economic growth and stability, development, and cooperation foster global peace and security. Today, with conflicts raging in multiple regions of the globe, American leadership at the IFIs is more important than ever. We are leveraging our leadership to press the IFIs to be more responsive to economic and development needs at national levels and to challenges that cross borders and reduce growth and increase poverty. The work of the IFIs is especially vital for countries that are affected by crises within their borders or spillovers from crises and conflict in other countries.

The multilateral development banks (MDBs) have become a primary source of policy support, technical assistance, and finance for many emerging markets and developing countries (EMDCs), helping to promote market-based economic growth, job creation, and private capital mobilization. Since assuming the World Bank Presidency in 2023, Ajay Banga has begun to catalyze these tools to deliver on the Bank's core development objectives and evolve the Bank to meet the global challenges the world faces today. The IMF, through its surveillance, macroeconomic policy advice, and high standards of lending that promote sound economic reforms, has helped to prevent and minimize the spread of economic and financial crises that can have negative cross-border effects. In this way, the IMF's work to maintain global economic stability also mitigates significant risks to the U.S. economy.

Our leadership in these multilateral institutions is measurable and effective. Throughout the decades, the United States has maintained its position as the largest shareholder of the IMF, the World Bank, all but one of the regional development banks where the U.S. is a member, and in multilateral funds and facilities. Because of our leadership, the IFIs share core American values of transparency and accountability, anti-corruption, and economic development driven by the private sector and free enterprise. At a time when many developing countries have access to alternative, non-transparent sources of lending, including from China, we must continue to lead the IFIs so that they remain high quality and reliable partners to borrower countries.

Developing countries are facing an increasing number of challenges that have also become more complex in recent years. Some countries are still struggling to recover from the COVID-19 pandemic. Others are racing to rebuild infrastructure damaged by natural disasters or conflict, while grappling with energy and food shortages driven by factors such as extreme weather events and Russia's war against Ukraine. In many countries, these challenges are intertwined and compound each other.

While each country may confront a unique combination of problems, they all seek the same solution: high-quality, transparent sources of financing to support sustainable economic growth and recovery, grounded in market development and strong job creation. Importantly, they seek financing that will not leave them in debt distress. And they deeply value the policy advice, technical assistance, and extensive knowledge that the institutions provide. The United States is a proactive shareholder, and over the years we have helped shape the IFIs to focus on results and impact, while also requiring strong macroeconomic policies, accountability, and anti-corruption measures. Additionally, the United States exercises its leadership in multilateral debt initiatives to support vulnerable and low-income countries in debt distress—including by bringing China to the table—so that they can find a comprehensive solution with all of their creditors.

Our role in the IFIs is a cost-effective way for us to effectively lead the response to global crises, but not shoulder these burdens alone. The United States is a catalyst, and our investments lead other countries to reciprocate, resulting in more value-for-money for each dollar spent. Together with other donors, we encourage the IFIs to explore more innovative ways to provide support in a leveraged manner, including through loans and loan guarantees that can expand lending capacity at a fraction of the cost to the American taxpayer.

As a complement to our work in the multilateral system, Treasury engages directly with EMDCs through the results-driven Office of Technical Assistance (OTA). For over 30 years, OTA has helped finance ministries and central banks of developing and transitional countries effectively manage public finances and safeguard their financial sectors. Treasury's technical assistance promotes anti-corruption, good governance in public financial management, sound approaches to financing infrastructure, and strong financial sector oversight and regulation.

We seek Congress's support as we continue to lead, and indeed have nurtured a broad coalition, to make sure the IFIs remain cutting-edge and able to respond with agility and effectiveness to the most pressing development challenges that can affect our own national security. We are calling on the IFIs to redouble efforts to spur economic growth, reduce poverty, improve food security, expand quality infrastructure investment, and address global and regional challenges that spill over borders, including to the United States. We also request resources so that we can continue to support multilateral debt restructuring initiatives and promote good governance in developing countries through high-quality technical assistance.

Ultimately, Treasury's international work, both multilateral and bilateral, is in the national interest of the United States. By addressing fragility (i.e., weak capacity to maintain peace and foster development), promoting good governance and transparent and effective social service delivery, and creating private sector-led economic opportunities, Treasury's International Programs lower conflict risks and migration pressures, diminish the need for emergency humanitarian assistance, and reduce the potential influence of malign actors in developing countries and emerging markets.

In sum, the resources we seek will strengthen our leadership abroad, making us more secure at home while helping to lay a solid foundation overseas that will attract U.S. exports and investment and bring economic opportunities back to the American people.

Multilateral Development Banks

The Budget requests $2.168 billion for the multilateral development banks (MDBs) to support their continuing efforts to help developing countries reduce poverty, increase economic growth and job creation, develop their private sectors, invest in human capital, and promote good governance. These resources would also bolster the MDBs' financing to support developing countries in addressing increasingly complex and severe global challenges through efforts to increase pandemic preparedness, build infrastructure that is resilient to shocks, respond to shocks in food and energy supplies, and manage economic spillovers from conflict, including Russia's war against Ukraine. Financing from the MDBs is the best option for developing countries because it is transparent and comes with strong accountability through robust risk mitigation and anti-corruption measures.

U.S. contributions to the MDBs provide excellent value-for-money. Our contributions help to catalyze additional resources from other shareholders and the private sector. With this capital, the MDBs leverage funding from capital markets, which significantly increases overall MDB financing and enables the use of a wide range of innovative instruments, including loans, guarantees, equity, insurance, and knowledge products. We are working with these banks to find innovative solutions to responsibly stretch their balance sheets and provide critical financing even more efficiently and effectively.

As an additional multiplier of U.S. contributions, MDB work to de-risk and incentivize private sector investments supports U.S. priorities in developing countries. Many of these institutions frequently partner with American companies in their programs, whether through consulting or project design and execution, due to the technical expertise that U.S. firms can bring to the table. Our work with the MDBs to address global challenges more quickly and at greater scale will generate even more of these opportunities.

A key theme of this Budget request is the paramount importance of our participation in capital increases and replenishments and delivering on commitments to U.S. leadership in these institutions. The credibility of the United States as a global leader compels steadfast partners to meet our commitments. Doing otherwise could irreversibly erode our influence and ability to chart the course of these institutions and lead in implementing key reforms. Additionally, not participating in capital increases could result in diminishing U.S. shareholding and voting power—an outcome that could be exploited by China, among others, to grow their influence in these institutions and the regions in which they operate.

Treasury's requests for the MDBs include:

International Bank for Reconstruction and Development (IBRD): $233.3 million, including $206.5 million for the last of six installments to subscribe to the U.S. share of the paid-in portion of the IBRD 2018 general and selective capital increases. It also includes $26.8 million to support loan guarantees that could enable $2 billion in IBRD financing for partner countries' clean energy transitions while also reducing their reliance on China. The Budget includes a request for a program limitation that would allow the United States to subscribe to up to $1.421 billion in callable capital. The Administration also requests authorization to vote in favor of amending the IBRD Articles of Agreement to remove an outdated statutory limit on IBRD lending. This removal will not affect prudent IBRD risk management or U.S. oversight of the same. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2025 President's Budget Appendix.

International Development Association (IDA): $1.43 billion in support of IDA programs in the world's low-income countries over the twentieth replenishment period (IDA-20, covering the period July 1, 2022–June 30, 2025), including support for a second U.S. pledge payment to IDA-20. The Administration also proposes legislative language to exempt securities issued by IDA from regulation by the Securities and Exchange Commission. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2025 President's Budget Appendix.

African Development Bank (AfDB): $54.6 million for the fifth of eight installments to subscribe to the U.S. share of the paid-in portion of the seventh general capital increase. The Administration also requests authorization to participate in a general callable capital increase. The Budget includes a request for a program limitation that would allow the United States to subscribe to up to $8.656 billion in callable capital issued for the seventh general capital increase and general callable capital increase.

African Development Fund (AfDF): $197 million in support of AfDF programs in the poorest countries in Africa over the sixteenth replenishment period (AfDF-16, covering the period 2023–2025). The Administration requests authorization to subscribe to the AfDF-16 replenishment in the amount of $591 million.

Asian Development Fund (AsDF): $43.6 million in support of AsDF programs in the poorest countries in Asia over the twelfth replenishment period (AsDF-13, covering the period 2021–2024).

Asian Development Bank (AsDB): $84.4 million for the subsidy cost of $1 billion of loan guarantees to support the Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP), which will unlock an additional $4-5 billion in additional AsDB lending for mitigation and adaptation investments.

European Bank for Reconstruction and Development (EBRD): $50 million for an initial payment to subscribe to the U.S. share of the EBRD general capital increase. The Administration requests authorization to subscribe to shares issued as part of the EBRD general capital increase in the amount of $439.1 million.

Inter-American Investment Corporation (IIC, also referred to as IDB Invest): $75 million for an initial subscription to a capital increase for IDB Invest. The Administration also requests authorization to subscribe to up to 58,942 additional shares issued as part of the IDB Invest capital increase.

International Monetary Fund (IMF) Facilities and Trust Funds

The Budget seeks authorization and appropriations for an increase in the U.S. quota subscription to the International Monetary Fund (IMF) as well as a reduction in the amount of the U.S. commitment under the New Arrangements to Borrow (NAB). The Budget also seeks two authorization requests, both without a request for appropriations: an extension of the existing authorization for U.S. participation in the IMF's NAB, and authorization to lend to two IMF facilities – the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).

Quality Infrastructure

Global Infrastructure Facility (GIF): The Budget requests $5 million for a first-time contribution to the GIF, a World Bank financial intermediary fund that provides funding and technical assistance to design and structure high-quality infrastructure projects that attract and enable MDB and private sector co-financing (i.e., financing alongside MDBs), in line with the Administration's goals under the Partnership for Global Infrastructure and Investment.

Energy and Environment

Clean Technology Fund (CTF): The Budget requests $150 million for a contribution to the CTF to support developing countries' adoption of clean technologies in energy and transportation. The CTF complements the United States' bilateral efforts to promote a just energy transition and deployment of clean technology in targeted countries. Using $150 million for subsidy costs would enable a concessional loan to the CTF with an estimated value of $414.2 million.

Global Environment Facility (GEF): The Budget requests $150.2 million to cover the third installment of our pledge to the GEF's eighth replenishment (GEF-8). The GEF is a multilateral trust fund that provides mainly grant-based funding to assist developing and transitional countries in addressing global environmental challenges in five focal areas: (1) biodiversity; (2) chemicals and waste; (3) climate change; (4) land degradation (primarily deforestation and desertification); and (5) international waters. The GEF is a global leader in promoting the conservation of terrestrial and marine habitats.

Food Security

International Fund for Agricultural Development (IFAD): The Budget requests $54 million for the first of three installment payments to support IFAD programming during its thirteenth replenishment period (IFAD-13, covering the period 2025–2027). IFAD is dedicated to alleviating rural poverty, hunger, and malnutrition, and to supporting rural people to increase their incomes, productivity, and resilience.

Technical Assistance – Office of Technical Assistance

The Budget requests $40 million for Treasury's Office of Technical Assistance (OTA). Funding will enable OTA to respond to growing demand for technical assistance from EMDCs in key priority areas for the United States. Such areas include supporting our national security agenda by combating terrorist financing and financial crimes, helping countries fund and sustain their own development through improved domestic resource mobilization and debt management, promoting financial stability, and creating the conditions for private sector-led economic growth, including through increased investment in critical infrastructure.

Debt Restructuring and Relief

G20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative (the Common Framework), and Paris Club debt restructuring: The Budget requests $10 million for the United States' participation in debt restructuring and relief programs through multilateral initiatives including the Paris Club and G20. Since the COVID-19 pandemic, the United States has been participating in a G20 initiative—the Common Framework, which helps low-income countries restructure their debts through a multilateral framework, and where non-Paris Club creditors – including China – must provide comparable treatment. Given the rising debt burdens of many low-income countries, U.S. participation in the Common Framework and the Paris Club is critical, as these programs proactively work toward longer-term sustainability for low-income countries and aim to avoid prolonged and costly debt crises overseas which can have ramifications on the U.S. economy.

The Budget for this section also includes a recission of $111 million, obligated in FY 2021, for Sudan. These funds were to allow U.S. participation in debt relief under the Heavily Indebted Poor Country (HIPC) Initiative for Sudan in 2024, but the country's ongoing civil war has put an indefinite pause on this relief for the near term.

Treasury International Assistance Programs (TIAP)

The Budget requests $15 million in additional resources to establish a new account that would enable Treasury to meet new and emergent needs that can occur outside of the U.S. budget cycle through international financial institutions (IFIs), financial intermediary funds and trust funds administered by IFIs, and other international organizations, as well as debt restructuring and technical assistance. Requested resources will be used to support global macroeconomic and financial stability and international development, and to advance U.S. strategic priorities and leadership, including countering the influence of malign actors. Funding under TIAP will support Treasury in advancing U.S. leadership in galvanizing action and mobilizing resources from global partners, including key international organizations and stakeholders from both the public and private sector, and providing contingency resources in the event of an urgent call for debt restructuring and increased demand for technical assistance due to unexpected events and economic disruptions.

Summary Tables

Table 1: Treasury International Programs – Summary of Previous Appropriations and FY 2025 Request

In $ thousands	**FY 2023 Enacted**	**FY 2024 Annualized CR**	**FY 2025 Request**	**FY 2024 Annualized CR to FY 2025**	
				$ Change	**% Change**
Multilateral Development Banks	**1,906,315**	**1,906,315**	**2,168,215**	**261,900**	**13.7%**
International Bank for Reconstruction and Development (IBRD)	206,500	206,500	233,322	26,822	13.0%
International Development Association (IDA)	1,430,256	1,430,256	1,430,256	0	0.0%
African Development Bank (AfDB)	54,649	54,649	54,649	0	0.0%
African Development Fund (AfDF)	171,300	171,300	197,000	25,700	15.0%
Asian Development Fund (AsDF)	43,610	43,610	43,610	0	0.0%
Asian Development Bank (AsDB) Programs	0	0	84,378	84,378	-
European Bank for Reconstruction and Development (EBRD)	0	0	50,000	50,000	-
Inter-American Investment Corporation (IIC, or IDB Invest)	0	0	75,000	75,000	-
IMF Facilities and Trust Funds	**20,000**	**20,000**	**0**	**-20,000**	**-100.0%**
Quality Infrastructure	**0**	**0**	**5,000**	**5,000**	**-**
Global Infrastructure Facility (GIF)	**0**	**0**	5,000	5,000	-
Energy and Environment	**275,200**	**275,200**	**300,200**	**25,000**	**9.1%**
Clean Technology Fund (CTF)	125,000	125,000	150,000	25,000	20.0%
Global Environment Facility (GEF)	150,200	150,200	150,200	0	0.0%
Food Security	**53,000**	**53,000**	**54,000**	**1,000**	**1.9%**
International Fund for Agricultural Development (IFAD)	43,000	43,000	54,000	11,000	25.6%
Global Agriculture and Food Security Program (GAFSP)	10,000	10,000	0	-10,000	-100.0%
Office of Technical Assistance (OTA)	**38,000**	**38,000**	**40,000**	**2,000**	**5.3%**
Debt Restructuring	**72,000**	**72,000**	**-101,000**	**-173,000**	**-240.3%**
G-20 Common Framework for Debt Treatments, and Paris Club	52,000	52,000	10,000	-42,000	-80.8%
Offsets, rescissions	0	0	-111,000	-111,000	-
Tropical Forest and Coral Reef Conservation Act (TFCCA)	20,000	20,000	0	-20,000	-100.0%
Treasury International Assistance Programs	**0**	**0**	**15,000**	**15,000**	**-**
TOTAL	**2,364,515**	**2,364,515**	**2,481,415**	**116,900**	**4.9%**

Table 2: Unmet Commitments at International Financial Institutions
FY 2019 – FY 2025
(in $ thousands)

Institution	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Projected[1]
IDA Pledges	485,264	485,264	426,574	337,318	209,508	209,508	160,508
IDA MDRI	1,006,855	1,236,345	1,503,865	1,801,195	2,115,145	2,438,695	2,765,115
AfDF Pledges	154,191	154,191	154,191	114,191	114,191	139,893	87,193
AfDF MDRI	157,904	172,014	196,711	225,879	262,343	292,963	323,853
AsDF[2]	283,943	283,904	283,904	274,191	202,692	202,692	253,546
GEF	131,951	110,843	102,391	88,006	88,006	88,006	69,506
IFAD	3,833	3,833	3,833	3,833	3,833	3,833	0
MIF/ IDB Lab	25,710	25,710	25,710	25,710	25,710	25,710	25,710
MIGA	6,867	6,867	6,867	6,867	6,867	6,867	6,867
TOTAL	**2,256,517**	**2,478,970**	**2,704,045**	**2,877,189**	**3,028,295**	**3,408,167**	**3,692,299**
Total MDRI[3]	1,164,759	1,408,359	1,700,576	2,027,074	2,377,488	2,731,658	3,088,968
Total ex-MDRI	1,091,758	1,070,611	1,003,469	850,115	650,807	676,509	603,330

[1] This column lists the projected levels of unmet commitments if the FY 2024 and FY 2025 President's Budget requests are enacted.

[2] Due to the delay in securing authorization to subscribe to AsDF-13, Treasury submitted a modified encashment schedule to AsDB in March 2023 with a backloaded payment structure. As a result, unmet AsDF commitments in “FY 2023 Enacted,” “FY 2024 Annualized CR,” and “FY 2024 Projected” appear substantially lower than projections in previous Congressional Budget Justifications. The variations are a technical issue that have no bearing on the overall U.S. pledge to AsDF-13, which remains $174.44 million, or Treasury’s intent to fulfill that pledge.

[3] Unmet Multilateral Debt Relief Initiative (MDRI) commitments to IDA and AfDF will continue to increase unless Congress appropriates resources to cover amounts that come due annually.

Multilateral Development Banks

In 2023, the Multilateral Development Banks (MDBs) in which the United States is a member provided more than $145 billion in funding to developing countries. Our investments in the MDBs are catalytic, drawing in resources from other shareholders, capital markets, and the MDBs' own balance sheets. They supported broad-based, sustainable development through investments across a range of sectors, including infrastructure, health, energy, natural resource management, agriculture, and education. MDB concessional loans and grants are an important and reliable source of financing for the development needs of the poorest and most fragile countries, particularly those affected by conflict and disaster. By providing financial support and technical assistance for such countries, MDB assistance helps to prevent and alleviate economic and humanitarian crises overseas, which in turn safeguards the U.S. economy and national security from potential spillovers.

Last year, the United States and our partner countries made significant progress on the MDB Evolution initiative through which we are seeking to equip the MDBs to better address the key global challenges facing the world today, such as pandemics, fragility and conflict, and climate change, with sufficient speed and scale. Under the MDB Evolution initiative, the World Bank has adopted reforms to its mission and vision, incentive structure, operational model, and financial capacity that will dramatically boost its ability to tackle global challenges, and thus accelerate sustained progress on its poverty reduction and development goals. Regional development banks are pursuing similar Evolution reforms. Specifically with respect to financial capacity, the MDBs have collectively unlocked $200 billion in new lending capacity over the next decade without jeopardizing the institutions' triple A credit rating. This will help complement direct appropriations at a time when demand from countries is very high. A major cross-cutting priority of MDB Evolution is to leverage the balance sheets and expertise of the MDBs to help mobilize greater amounts of private capital.

We expect significant additional progress on MDB Evolution across the MDBs this year to achieve an MDB system that is equipped to meet the challenges of the 21st century and is the first partner of choice for countries, rather than less transparent, alternative sources of finance. The requests for the MDBs in the Budget will amplify the benefits of these reforms.

The MDBs are among the leading providers and catalysts of infrastructure finance globally. These are critical institutions to deliver on the G7's Partnership for Global Infrastructure, which seeks to deliver game-changing projects to close the infrastructure gap in developing countries, strengthen the global economy and supply chains, and advance global security. Collectively, in 2022, the MDBs in which the United States is a member approved over $40 billion in infrastructure finance, which amounts to 28 percent of their total financing approvals that year. The MDBs also play a critical role in mobilizing private capital for development, including in infrastructure finance, and the MDBs in which the United States is a member mobilized nearly $60 billion in long-term financing in 2021, with $26.5 billion of that total going to infrastructure.

The MDBs have also been a key partner through which the U.S. has provided vital and timely support for Ukraine. Since Russia's full-scale invasion of Ukraine in early-2022, the World Bank Group and the European Bank for Reconstruction and Development have swiftly moved to program billions of dollars in assistance to Ukraine. These institutions have provided significant support to the immediate crisis response in Ukraine, including food security, through support for vital infrastructure in transport and logistics as well as direct finance to farmers and producers; energy security needs; and support for vulnerable populations and internally displaced persons. They, and the other MDBs, have also provided needed financing and technical assistance to help address the spillovers of Russia's war on Ukraine.

The U.S. government will continue to be a strong proponent of MDB efforts to support vulnerable groups who have been marginalized based on factors such as race, ethnicity or indigenous identity, gender or sexual orientation, and disability. The MDBs have been strong partners in supporting economic development that promotes gender equality and greater inclusion of disadvantaged or marginalized groups, including through the identification, creation, and protection of economic opportunities for all.

World Bank

The World Bank (WB) is composed of five arms – the International Development Association (IDA), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The Budget is seeking funding for the sixth and final payment for the IBRD general and selective capital increases that were approved in 2018. It is also requesting resources for the IDA twentieth replenishment (IDA-20).

During the WB's 2023 Fiscal Year (July 1, 2022 to June 30, 2023), it committed over $107 billion in assistance to developing countries. The WB remains a global leader in assisting developing countries in reducing poverty, fostering sustainable, inclusive, resilient development, and responding to shocks and longer-term challenges. The WB also provided over $18 billion for infrastructure investment in developing countries during its FY 2023, remaining one of the top financiers of infrastructure in the developing world. The WB has also been successful in catalyzing private sector finance; over the three fiscal years from FY 2021 to FY 2023, it helped to mobilize nearly $100 billion in private sector funds to developing countries.

International Bank for Reconstruction and Development

	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
IBRD GCI and SCI	206,500,000	206,500,000	206,500,000
Loan Guarantees	--	--	26,821,871
TOTAL	**206,500,000**	**206,500,000**	**233,321,871**

Treasury requests approximately $233.3 million for the IBRD. This includes $206.5 million for the last of six installments for the IBRD general (GCI) and selective (SCI) capital increases that shareholders approved in 2018. If not appropriated, the United States will not be able to subscribe to the full amount of shares to which it is entitled, which would result in a loss of U.S. shareholding and voting power. This would undermine U.S. leadership in the institution and globally at a critical time, particularly given the need for credible alternatives to non-transparent and coercive Chinese financing, and limit IBRD's ability to address the spillover effects of Russia's ongoing war on Ukraine and other transboundary challenges, including pandemics, fragility and conflict, and energy security. With that final consideration in mind, the FY 2025 request also includes approximately $26.8 million to support loan guarantees that could enable $2 billion in IBRD financing for partner countries' clean energy transitions while also reducing their reliance on China.

Finally, the request also includes authorization for the U.S. Governor to vote in favor of removing the Statutory Lending Limit from Article III, Section 3 of the IBRD's Articles of Agreement. This limit is not based on risk and is an anachronism that, if not removed, has the potential to artificially limit IBRD lending, requiring additional capital subscriptions from shareholders, including the United States, to sustain lending levels that could otherwise be achieved without new shareholder support. This removal will not affect prudent IBRD risk management or U.S. oversight of the same, nor will it meaningfully increase the risk associated with U.S. capital subscriptions to the IBRD. Based on current U.S. voting power in the IBRD, a U.S. vote in favor is required to approve the amendment.

Program Description

The IBRD is the arm of the World Bank that provides financing to creditworthy middle-income countries to promote broad-based economic growth and reduce poverty. These countries—home to over 75 percent of the world's population and over 60 percent of its poor—utilize a combination of the IBRD's financial resources and its strategic advice to meet many development needs. These countries are also often important economic anchors in their region – when they become instable, the impacts are broadly felt.

The work of the IBRD is essential for the WB to achieve its goal of creating a world free of poverty on a livable planet, meaning, for example, a planet free of pollution, where people are safe, and enjoy the dignity that comes with having a job. IBRD projects span a range of sectors, including agriculture, sustainable infrastructure, climate, environment, health and nutrition, education, and governance. The IBRD also supports long-term human and social development needs that private lenders are often unwilling to finance. During WB FY 2023, the IBRD committed $38.6 billion in loans and technical assistance for developing countries, including nearly $7 billion in infrastructure finance, as well as increased lending to help borrower countries respond to the fallout from Russia's war on Ukraine, and respond to a range of other challenges.

Support for loan guarantees in the Budget represents a creative and cost-effective approach to augmenting IBRD financing using a proven tool that other WB shareholders have successfully piloted. Guarantees are a capital-efficient way to increase financing due to the extremely low default risk of MDB loans to sovereigns. The guarantees will enable emerging market partners to, among other things, accelerate their clean energy transitions in a manner that safeguards energy security and supports impacted communities by creating jobs and bolstering affordable access to electricity. The additional financing would also reduce their reliance on China, that owns the large majority of coal plants in these partner countries as well as being a dominant investor in critical minerals.

How Support for the IBRD Promotes U.S. Interests

The United States is and will continue to be the largest shareholder in the IBRD after all countries subscribe to their shares under the 2018 capital increase, with a 15.9 percent share of total voting power. The country with the next largest shareholding will be Japan, whose share will be 6.8 percent, followed by China, with a 5.7 percent share. The United States is the only country with veto power over amendments to the IBRD Articles of Agreement.

As the world's preeminent development bank, the IBRD is uniquely positioned to address development challenges in specific countries, as well as key global concerns that ultimately impact U.S. national security interests, including the health and economic wellbeing of American citizens. The IBRD provides developing countries with a robust, high-quality alternative to non-transparent and coercive lending from China and other actors.

- The IBRD supports economic growth and stability in strategically important countries, such as Ukraine, Jordan, Iraq, Indonesia, Egypt, Ecuador, Colombia, and Dominican Republic, by providing stable and affordable funding to support their development needs.
- The IBRD is an important vehicle for supporting U.S. foreign policy priorities, such as restoring pre-pandemic growth and progress on poverty reduction, supporting investment in quality infrastructure and sustainable energy, promoting gender equality and inclusion, enabling youth education and job training, building resilience, and helping countries address the root causes and impacts of violent conflict.
- The IBRD works with borrower countries to pursue sustainable economic reforms that expand private sector investment and job creation, energy sector innovation, and vital public services in health, education, and sanitation.
- By leveraging international bond markets and the funds of other shareholders, the IBRD allows the United States promote the Sustainable Development Goals with a multiplier effect that would not be possible on a bilateral basis.
- IBRD investment promotes transparency and high-quality technical, procurement, debt sustainability, social, environmental, and governance standards.

Meeting U.S. Commitments to the IBRD

During negotiations on the 2018 capital increase, IBRD Management committed to a series of reforms to further improve the efficiency and effectiveness of the institution. These reforms continue to align with U.S. national security and economic priorities and are making the World Bank more financially disciplined, focusing its operations on poorer countries with less access to other sources of finance.

If the United States does not continue to provide funds for the U.S. portion of the GCI and SCI, we will risk losing IBRD shareholding, which determines voting power. Failing to meet our commitments and losing shareholding would quantifiably weaken U.S. leadership and influence at the World Bank; and it may ultimately lead to a loss of U.S. veto power over amendments to the Articles of Agreement. Furthermore, failing to meet our commitment may severely undermine progress on the package of reforms that the United States helped secure as part of the 2018 capital increase and the World Bank evolution reforms that the United States has championed since 2022.

Achieving and Measuring Results

Over the WB FY 2019-2022 period, World Bank (including IBRD) operations resulted in the following, among other achievements:

- 49 million people received access to better water sources and 190 million people benefited from improved sanitation services;
- Over 500 million people received essential health services;
- 59 million people received new access to the internet and 135 million women benefited from social safety net programs;
- Nearly 70 million people received access to new or better jobs;
- 58 million people obtained new or improved electricity services; and
- 96 million people received better access to transportation services.

New lending enabled by U.S. support for loan guarantees will be directed according to a memorandum of understanding between the United States and the IBRD that will dictate sectoral and thematic priorities focused on the IBRD's and the relevant country's energy transition efforts. Projects supported by the guarantees will be subject to the same standards, approval process, and reporting requirements as any IBRD project.

Project Examples

Panama: Strengthening the Social Protection and Inclusion System in Panama. In 2016, the World Bank approved a $60 million loan to increase the efficiency of Panama's social protection system and improve the income generation capacity of the poor and vulnerable. By the time the project ended in 2022, a total of 171,339 beneficiaries received conditional cash transfers from the Ministry of Social Development with financial support under the operation. Sixty-four percent of the beneficiaries were women. This project also supported improvements in the income-generating capacity of the poor and vulnerable population by strengthening the Territorial Networks and Social Cohesion Programs, which benefited 5,848 households.

Jordan: Education Reform Support Program. In 2017, the World Bank approved a $200 million project to help Jordan expand access to early childhood education, and improve student assessment, teaching and learning conditions for Jordanian and Syrian refugee children. The financing consists of a grant portion of $52.3 million from the Global Concessional Financing Facility, and a loan of $147.7 million. As of 2023, the number of Jordanian and Syrian refugee children in kindergarten reached over 135,000 (exceeding the target of 120,000), and nearly 10,000 were trained and certified against new national teacher professional standards that were developed through the project. In addition, a school program for improving student socioemotional learning was designed and piloted in 93 schools, most of which have a high proportion of Syrian refugee students.

International Development Association

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
1,430,256,000	1,430,256,000	1,430,256,000

The Budget requests approximately $1.43 billion in support of IDA programs over IDA's twentieth replenishment period (IDA-20, which spans from July 1, 2022 to June 30, 2025).

Program Description

IDA is the arm of the WBG that provides grants and concessional loans to the world's 75 poorest and most vulnerable countries, of which 32 are fragile and conflict-affected states. It is the largest source of development finance to these countries and operates across a range of sectors, including health, education, clean water and sanitation, environment and energy, governance, and infrastructure. During WB FY 2023, IDA committed approximately $34.2 billion in development finance. The Sub-Saharan African region received the largest portion of IDA's new commitments in 2022 at $26 billion (75 percent), followed by the South Asia region at $6 billion (17 percent).

During IDA-20, IDA is deepening its support to drive a resilient recovery from the pandemic for the poorest countries, with an overarching theme of "Building Back Better from the Crisis: Toward a Green, Resilient, and Inclusive Future." IDA is working to strengthen health systems, including on pandemic preparedness, through additional funding and existing country allocations. IDA is a leading financier of sustainable infrastructure in the poorest countries, with $9.6 billion in new commitments in energy, transport, water and sanitation, and information and communication technology in its 2023 fiscal year.

IDA-20 also includes key commitments to address human capital development, the care economy, food security, and fragility, conflict, and violence. IDA has committed to work on strengthening inclusion for marginalized groups and will also continue work on enhancing quality job creation and private sector growth, improving debt sustainability and debt transparency, combatting corruption and illicit financial flows, and improving domestic resource mobilization.

How Support for IDA Promotes U.S. Interests

The economic development of the world's poorest countries is important to U.S. foreign policy, economic prosperity, and national security. IDA supports U.S. economic and national security interests by:

- **Reinforcing U.S. and international political and security objectives** through promotion of sustainable, inclusive, and resilient economic growth, job creation, and the provision of social services in fragile and conflict-affected countries. IDA is well aligned, for example, with the goals of the Global Fragility Act.

- **Advancing reforms that promote private investment** in key environmental and development priorities, creating jobs, and fostering market-led economic growth in developing countries, thereby expanding markets for U.S. exports.
- **Responding to and limiting the spread of global crises**, for example, by providing support to countries to respond to health emergencies such as the COVID-19 pandemic and to food security emergencies, including famine.
- **Supporting developing country efforts** to adapt to environmental challenges including natural disasters and the impacts of climate change, build resilience, and promote sustainable and clean energy.

Meeting U.S. Commitments to IDA

In December 2021, the United States pledged $3.5 billion over three years toward the IDA-20 replenishment. In a reassertion of U.S. leadership, the United States emerged as the largest donor to IDA-20 for the first time since IDA-16 (WB FY 2012-2014).

IDA is cost-effective: every $1 contribution from the United States to IDA-20 catalyzes approximately $27 in additional resources, including contributions from other donors, internally generated resources (e.g., reflows from previous loans), and market financing.

Achieving and Measuring Results

During the first year of IDA-20 (WB FY 2023-2025), IDA reported that it achieved the following:

- Over 72 million people received essential health and nutrition services, including the immunization of nearly 21 million children;
- 4.7 gigawatts of renewable energy generation capacity were installed;
- 24 million people benefited from expanded social safety net programs;
- Over 8 million people received access to better water services, nearly 15 million people received improved sanitation services, and over 8 million people benefited from better urban living conditions;
- 240,000 hectares of irrigation and drainage services received construction or rehabilitation support; and
- Nearly 12 million people gained employment through job-focused interventions.

Project Examples

Cote d'Ivoire: Land Policy Improvement and Implementation Project. In 2018, IDA approved a $50 million credit to build the capacity and institutions needed to support the implementation of a national rural land tenure security program. Between 2018 and 2023, over 41,000 landholders received either a land certificate (for owners) or a formal land use contract, benefitting an estimated 190,000 people in their households. It now takes half as much time to deliver a land record than in past years. The project has also helped to strengthen women's land rights by delivering 22 percent of all land certificates to women landholders with the aim of achieving 30 percent by the end of the project. In addition, the project helped train over 10,000 land agents and supported efforts to engage with populations about the importance of securing their lands.

Fiji: Recovery and Resilience Project. In March 2021, IDA approved a $145 million project that consisted of $110 million from IDA's Crisis Response Window, $10 million under the Catastrophe-Deferred Drawdown Option from an existing project, and a $25 million loan from the IBRD to support Fiji's economic recovery from the impacts of COVID-19 and multiple tropical cyclones, and help the country build economic, social, and climate resilience. The project has helped to promote private sector-led economic recovery, including an eight-fold increase in the use of electronic transactions through innovations in digital payments, and has helped the Fijian government identify and designate marine protected areas. It has also helped the Government of Fiji put into place an implementation plan to develop, pilot, and test multi-hazard early warning systems for weather-related events, such as cyclones and floods.

African Development Bank Group

The African Development Bank Group (AfDB Group) comprises the African Development Bank (AfDB) and the African Development Fund (AfDF). As a leading multilateral financing institution in Africa, it provides countries in Africa a strong voice and ownership over development on the continent. The Budget is seeking funding for one of eight payments for the AfDB's Seventh General Capital Increase (GCI-VII) and for one of three payments under the AfDF's sixteenth replenishment period (AfDF-16). Between April 2020 and the end of 2022, the AfDB Group provided approximately $4.1 billion in support to help countries address the health and economic impacts of COVID-19. In 2023, the largest sectors for AfDB Group investments were financing (25 percent), transportation (24 percent), and multi-sectoral (16 percent).

African Development Bank

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
54,648,752	54,648,752	54,648,752

Treasury requests approximately $54.6 million toward one of eight installments under the AfDB's GCI-VII. The leadership of the United States was instrumental in GCI-VII including in achieving a wide-reaching reform plan to strengthen the AfDB's financial sustainability, operational quality, and institutional integrity. Failure to subscribe in full would weaken our voice on the AfDB Board and therefore our ability to oversee implementation of these reforms. Furthermore, prompt provision of capital will enhance the AfDB's lending capacity to continue its support to African countries as they confront the long-term spillover effects on food and energy from Russia's war on Ukraine; adverse weather conditions across much of the continent; and try to recover from the COVID-19 pandemic.

A strong, prosperous Africa is essential to addressing today's global challenges, and the Administration has signaled its commitment to Africa, including through Prosper Africa and the U.S.-Africa Leaders Summit. Maintaining U.S. leadership at the AfDB will facilitate strong U.S. partnerships with the AfDB, as has been the case with Power Africa and other initiatives. The AfDB will also play an important role as a responsible financial partner for African economies as they seek to maintain or restore debt sustainability and reduce their dependence on less transparent or higher-priced financing sources.

Treasury also requests an authorization and program limitation to participate in a general callable capital increase for the AfDB. The general callable capital increase is necessary to avoid a credit rating downgrade of the AfDB and a reduction in AfDB lending levels due to Fitch Ratings' downgrade of the U.S. sovereign credit rating from AAA to AA+ on August 1, 2023. Failure to subscribe to the U.S. share of the general callable capital increase will result in a dilution of U.S. shareholding at the AfDB, with the forfeited shares thereafter offered to other non-African countries, including China.

Program Description

The AfDB provides public sector financing at market-linked rates to 20 member countries; it also provides loans, equity investments, lines of credit, and guarantees to the private sector in all 54 African member countries. The AfDB approved approximately $7.7 billion in financing in 2023.

The AfDB is financed by capital contributions from shareholders, borrowing from international capital markets, and retained earnings. Shareholders approved GCI-VII in 2019 to allow the AfDB to expand its support to African countries and the private sector to help confront continued significant development needs on the continent.

AfDB Management has made progress implementing a package of reform commitments agreed to under GCI-VII. AfDB Management continues to work toward fully executing the operational selectivity strategy and cost containment framework, updating environmental and social safeguards policies, implementing a quality assurance plan to improve project quality, and strengthening the AfDB's approach to governance, anti-corruption, and internal controls. The AfDB Board has initiated a process for an external review of the independence of the Bank's accountability functions to ensure the highest standard of accountability. The Board and Management are discussing a new Ten-Year Strategy that reflects the tenets of the MDB Evolution initiative and the importance of global and regional public goods, such as addressing fragility and climate vulnerability, along with promoting greater mobilization of private sector financing to achieve development objectives. The AfDB is also a leader in pursuing financial innovation to responsibly boost its capacity to provide robust assistance to its recipient countries, and it became the first-ever MDB to issue hybrid capital (i.e., subordinated debt) in 2024.

The United States is the largest non-regional shareholder at the AfDB, with 6.5 percent of total shareholding, and the second-largest shareholder overall after Nigeria.

How Support for the AfDB Promotes U.S. Interests

AfDB financing supports U.S. economic development, national security, and foreign policy objectives in Africa in the following ways:

- **Creates Opportunities for U.S. Businesses**: The AfDB has a $13 billion portfolio of regional integration projects and is accelerating its partnership with the African Continental Free Trade (AfCFT) Area, which could represent one of the world's largest free trade areas. It increasingly plays a critical role in developing and opening African markets for U.S. exporters and investors, in line with the Prosper Africa initiative. AfDB financing develops physical and telecommunications infrastructure that boosts trade, leverages business climate reforms, supports local SMEs, contributes to the growth of an African middle class of consumers, and promotes regional integration supporting the AfCFT Agreement. It also supports improvements in countries' policy environments to drive private sector investment and growth, and it promotes rules and policies around lending that are conducive to U.S. interests.
- **Finances Environmental Resilience and Sustainable Energy for Africa:** Recognizing that Africa is a region deeply vulnerable to natural disasters and environmental challenges, including those caused by climate change, the AfDB has adopted ambitious

targets to support countries' development in sustainable energy, integrated water resources management, and resilient agriculture.

- **Provides Infrastructure Investment:** Improved infrastructure is critical to Africa's growth and prosperity, including utility-scale energy that powers hospitals, schools and commerce, roads to transport agricultural products to market, and ports to facilitate trade and connectivity. The AfDB's investment in African infrastructure, including through collaboration with Power Africa, helps support an environment for increased U.S. investment and trade. In 2023, the AfDB approved $4.8 billion in infrastructure investment.
- **Combats Illicit Finance.** The AfDB is working closely with the United States and African countries to identify and implement specific actions to improve transparency, combat corruption and criminal activity, and increase government accountability in Africa.
- **Supports U.S. Interests in North Africa:** In 2023, the AfDB provided approximately $1.45 billion in sovereign financing and private sector development in Morocco and Egypt, both of which are important U.S. strategic partners. Typically, AfDB financing to these countries supports governance and business environment reforms, infrastructure development, and job creation. In 2023, the focus was on transportation that will serve the countries' development needs. Egypt may look to the AfDB for additional support to manage spillovers from the conflict in Gaza.

Meeting U.S. Commitments to the AfDB

Failure to meet commitments to GCI-VII and the general callable capital increase would result in further dilution of U.S. shareholding and could risk our single-country seat on the Executive Board, where the United States is the only shareholder to have its own seat. It would significantly weaken U.S. credibility and influence at the AfDB and impair our ability to advance important U.S. strategic priorities in Africa, whose geopolitical importance will only grow, given its young and rapidly growing population and the need to support the sustainable, inclusive, and transparent management of its vast natural resources.

Achieving and Measuring Results

In 2022, the AfDB reported that it achieved the following results, among other things:

- Supported agricultural sector investments that improved the livelihoods of 2.9 million farmers;
- Built or re-constructed 1,682 kilometers of feeder roads to bring agricultural goods to market;
- Trained 340,000 people for job skills, of which 70 percent were women; and
- Provided 12.3 million people with improved access to improved water and sanitation.

The AfDB maintains a Results Measurement Framework to track and hold the AfDB Group accountable for its performance on 105 quantitative indicators, organized in four interconnected levels: (1) development progress in Africa; (2) the AfDB Group's contribution to development in Africa; (3) the quality of the AfDB Group's development operations; and (4) the AfDB Group's organizational efficiency.

Project Examples

Botswana: The Pandamatenga Agricultural Infrastructure Development Project. The AfDB approved a $57.2 million loan in 2009, and the project was completed in 2023. The project facilitated water control and access road development for rain-fed agricultural production within 27,574 hectares of farmland in Pandamatenga area, incorporated training and water management and ecosystem conservation concepts in crop production and provided equipment for effective production activities. Average crop production in the area increased from zero to 97.5 metric tons per hectare.

Morocco: Marrakech Region Water Supply Project. The AfDB approved a $156.7 million loan in 2012 toward total project costs of $281.9 million. The project ensures quality water supply for a city of two million people and its growing peri-urban areas. This project included (i) development of water production, storage and supply infrastructure and (ii) technical support, control, and supervision of works. This included expanding water access to 100 percent of the rural population, which was an important factor in reducing the percentage of child mortality caused by water borne diseases from 29 percent to 15 percent in 2023.

African Development Fund

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
171,300,000	171,300,000	197,000,000

Treasury requests $197 million in support of AfDF programs over the AfDF-16 replenishment period (FY 2023 – FY 2025), including toward one of three payments to AfDF-16 of $197 million.

Program Description

The AfDF provides grants and highly concessional loans to the 37 poorest countries in Africa, of which half are fragile and conflict-affected states and 20 are at high risk of debt distress or currently in debt distress. AfDF approvals, including approvals to AfDF countries through the window for fragile and conflict-affected states, totaled approximately $2.04 billion in 2023.

During the AfDF-16 replenishment negotiations, the United States achieved the following reform commitments that will increase AfDF's efficiency and its ability to achieve impact:

- In coordination with the IMF and World Bank, AfDB management is instituting a dynamic application of country debt sustainability analysis and will implement stronger allocation incentives around debt sustainability and transparency and the provision of grants.
- Management presented a strong case for greater project selectivity to maximize effectiveness, with a two-pillar approach that will mostly fund (i) infrastructure projects

and (ii) capacity development to improve debt sustainability management and increase the sustainability and effectiveness of infrastructure projects.

- AfDF-16 added new policy commitments relating to increasing food security, screening all projects for adaptation, boosting private sector enabling environments, and a greater operational commitment related to mitigating sexual exploitation, abuse, and harassment.
- AfDF will continue applying its fragility diagnostic tools in all AfDF countries and refining its approach to operations in fragile countries to better address the drivers of fragility.

The AfDF is financed by donor countries, including the United States, and donors negotiate a replenishment of resources every three years. In December 2022, the United States joined other donors to conclude negotiations on the AfDF-16 replenishment, which totaled $8.5 billion. The United States pledged $567.9 million to AfDF-16, to be paid over three years. The U.S. pledge to AfDF-16 is 15 percent higher than our AfDF-15 replenishment pledge and will provide increased, urgently needed support to the poorest and most vulnerable countries and people in Africa. It will also reassert U.S. leadership at the AfDF and in Africa as the continent confronts multiple longstanding and new development challenges by making the United States the third largest donor to the AfDF-16 replenishment, after Germany and France. On a cumulative, historic basis, the United States is the third largest donor to AfDF, with a 5.4 percent voting share, just behind Japan and Germany.

Every $1 in U.S. contributions to AfDF-16 will catalyze nearly $16 in contributions from other donors and internally generated resources.

How Support for the AfDF Promotes U.S. Interests

AfDF assistance helps achieve U.S. national security and foreign policy objectives in Africa.

- **Reduces Instability in Fragile States:** Nineteen of the AfDF's 37 recipient countries are fragile and conflict-affected states, including countries such as Mali and Chad that are on the front lines of the fight against terrorism and the malign influence of Russia and the Wagner Group in Sub-Saharan Africa. Over the 2023-2025 period, more than 60 percent of the AfDF's financing will be used to combat instability in fragile and conflict affected states, including through projects to strengthen governance and anti-corruption efforts.
- **Addresses Economic and Social Impacts of Health and Humanitarian Crises:** AfDF financing seeks to address the root causes of humanitarian crises in, and migration flows from, Africa's poorest countries. The AfDF helps reduce fragility, builds infrastructure, and supports private sector-led growth, economic diversification, and job creation. AfDF is building up long-term food security through investments in resilient agriculture and infrastructure to support agricultural production and marketing.
- **Complements U.S. Bilateral Support to Africa:** The AfDF's work to enhance economic growth and improve stability and governance helps support U.S. objectives of increasing trade and investment with African partners, including through collaboration with Power Africa and Prosper Africa.
- **Fosters Infrastructure Investment:** Improved infrastructure is critical to Africa's growth and prosperity. The AfDF's support for African infrastructure, including through

collaboration with Power Africa, helps support an environment for increased U.S. investment and trade. The AfDF allocates 25 percent of its resources to incentivize cross-border projects, especially in transport and energy, helping create larger, more connected markets. In 2023, the AfDF approved $428 million in infrastructure finance.

Achieving and Measuring Results

In 2022, the AfDB reported that programs in AfDF countries:

- Built or rehabilitated 408 kilometers of power distribution lines, 366 kilometers of power transmission lines, and installed 612 megawatts of new installed capacity, enabling 1.3 million people to access power systems;
- Helped 12.3 million people, approximately half of whom were women, access new or improved water supply and sanitation; and
- Supported improvements in agricultural productivity benefiting 2.9 million people, about half of whom are women.

AfDF-16 includes a set of 33 commitments for the AfDF to meet over 2023-2025 period, which cover the AfDF's development work and its institutional efficiency and effectiveness; as well as issues related to food security, debt sustainability and transparency, private sector enabling environments, and project adaptation screening. They also include an ambitious operational commitment related to preventing sexual exploitation, abuse, and harassment. Importantly, each commitment includes at least one measurable indicator.

Project Examples

Malawi/Zambia Multinational: Nacala Road Corridor Development Project – Phase IV. In 2019, the AfDF approved $11.6 million for the Malawi/Zambia multi-national border crossing portion and, in 2020, $35.3 million for the portion only in Malawi. This project has contributed to improving road transportation (55 km of re-paving) and trade facilitation (three border crossings) along the Nacala Road Corridor. Approximately 2 million people live along this corridor, which stretches from Lusaka in Zambia through Malawi to the Port of Nacala in Mozambique. Given its vast reach, this project has helped enhance competitiveness and socioeconomic integration between the three countries. By 2023, the project has already reduced border crossing times between Malawi and Zambia by two hours.

Benin: Project to Build Food Production and Resilience. The AfDF approved $24.3 million for this project in 2015. The project sustainably boosted food production by improving productivity, resilience to climate change, and sustainable management of agricultural natural resources. It also helped reduce gender inequalities and increase household incomes. In the project area, grain productivity increased from 1,500 kg per hectare to 8,111 kg per hectare over the implementation period. Additionally, the tonnage of cassava, rice, and corn produced annually in the project area increased from 43,000 to 87,077 in 2023. Approximately 29,500 farmers were trained in resilience technologies, of which 12,500 were women.

Asian Development Bank

The Asian Development Bank comprises the Ordinary Capital Resources of the Asian Development Bank (AsDB) and the Asian Development Fund (AsDF). As a leading multilateral financing institution in Asia, it provides countries in the Asia-Pacific region with a strong voice and ownership over development in the region. As there are no outstanding U.S. capital commitments for the Ordinary Capital Resources of the AsDB, the Budget is seeking funding for the AsDF and the subsidy cost of a guarantee for the AsDB provided through the new Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP). AsDB is a significant financier of infrastructure, which tends to account for about one-third of its total annual commitments. Crucially, the AsDB provides an important, high-quality alternative to opaque, coercive financing, which, if proved unsustainable, could ultimately lead to the seizure of strategic infrastructure assets by China or other bilateral creditors in the region. The AsDB provides developing countries with financing that aligns with international best practices, promotes deep and comprehensive development outcomes, and reflects U.S. national interests.

Asian Development Fund

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
43,610,000	43,610,000	43,610,000

Treasury requests approximately $43.6 million to support AsDF programs over the twelfth replenishment period (AsDF-13; 2021–2024).

<u>Program Description</u>

The AsDF is a grant-only fund that supports the poorest and most vulnerable countries in Asia and the Pacific, especially Small Island Developing States (SIDS). AsDF grants help recipient countries reduce poverty, support economic growth, mitigate and respond to disaster risks, boost regional integration, and address the unique challenges confronting fragile and conflict-affected states and SIDS. In typical years, 40 to 50 percent of AsDF support focuses on infrastructure projects in the energy, water, and transportation sectors. U.S. contributions to the AsDF also support the AsDB's Technical Assistance Special Fund (TASF). As AsDB operations expand in response to the U.S.-led MDB Evolution agenda, TASF resources will continue to be instrumental to building a pipeline of transformative and high-quality projects while also enhancing project implementation, monitoring, safeguards, and procurement. In 2023, AsDF approvals totaled $777 million.

Various factors determine AsDF resource allocation, including country performance, debt sustainability, economic vulnerability premia for SIDS, and a special allocation for addressing the needs of the Afghan people, who have suffered since the fall of the previous government in 2021. Additional thematic pools are set aside to incentivize projects that support the following strategic areas: fostering regional cooperation and integration (RCI), including the provision of regional public goods (RPGs); supporting disaster risk reduction and climate adaptation; and achieving Sustainable Development Goal 5's agenda to secure gender equality and empower all women and girls). Thirteen countries are eligible to receive AsDF grant assistance.

In September 2021, the United States pledged $174.44 million for the AsDF-13 replenishment period (2021-2024), to be paid over four years. This is an eight percent decrease from the previous replenishment, matching the expected overall decline in donor contributions made possible due to growth of contributions from internally generated resources at AsDB and changes in country eligibility for AsDF grants. This decrease provides $15 million in savings while allowing the United States to remain the third-largest donor after Japan and Australia. During the replenishment negotiations for the AsDF-13 period, the United States secured important policy commitments, including increasing support to Pacific SIDS, a comprehensive package for strengthening public debt sustainability, and an increased focus on quality infrastructure investment.

How Support for the AsDF Promotes U.S. Interests

AsDF assistance helps achieve U.S. national security, environmental goals, economic, and foreign policy objectives in Asia and the Pacific.

- **Provides Development Financing for Small Island Developing States:** The AsDF-13 replenishment includes an economic vulnerability premium to increase financing for AsDF-eligible SIDS. Given development needs and capacity constraints, small states, especially Pacific Island states, are particularly vulnerable to unfavorable and non-transparent lending which does not contribute meaningfully to development. The premium benefits the small and vulnerable island countries and is combined with greater focus on promoting debt sustainability and transparency, including applying IDA's Sustainable Development Finance Policy (SDFP).
- **Promotes Disaster Resilience and Adaptation in Asia and the Pacific:** During the AsDF-13 period, AsDF will provide up to $277 million in grants for disaster risk reduction and climate adaptation, and up to $255 million to facilitate faster pandemic and disaster response. It will also provide support for humanitarian relief for AsDF countries in the wake of crises in the region.
- **Supports the Afghan People:** AsDF will continue to provide grants, even as other donors have decreased or ended funding, to address the humanitarian and basic infrastructure needs of the Afghan people. These projects are implemented by non-governmental organizations, with robust safeguards preventing the flow of funds to the Taliban. Such efforts include addressing the food, health, and education needs of the Afghan people, with special emphasis placed on access for and inclusion of women and girls.

Meeting U.S. Commitments to the AsDF

The United States has approximately $273.5 million in unmet commitments to the AsDF. As with other institutions where we have significant unmet commitments, this adversely affects the AsDF's financing capacity and U.S. leadership at the AsDB. Without fully funding its commitments, the United States risks impairing its ability to shape the direction of AsDF policies and activities, as well its ability to help channel critical concessional finance to AsDF beneficiary countries. Other AsDF donors have withheld, proportionally, a total of $14.1 million in contributions to previous replenishments in response to U.S. unmet commitments. These resources will not be released until the United States clears its unmet amounts.

Achieving and Measuring Results

The AsDB reports on results through its annual Development Effectiveness Review (DEfR) and Performance Scorecard, which compiles project-level outputs. In particular, the DEfR measures whether projects are effective, completed on time and according to benchmarks, and remain sustainable after the conclusion of AsDB or AsDF involvement. These annually assessed measures are used to compile lessons learned and adjust targets accordingly. During 2022, the AsDB's Independent Evaluation Department rated 58 percent of completed AsDB concessional sovereign operations (which include AsDF-supported grants) as successful.

AsDB reports that it achieved the following in AsDF countries in 2022:

- Accelerated progress on gender equality by enabling 130 women and girls to complete education or job training and generating 3,800 skilled jobs for women.
- Contributed to adaptation by mobilizing $78.9 million in additional climate finance, reducing greenhouse gas emissions by 1.3 million tons annually, and making 190 new or existing infrastructure assets climate and disaster resilient.
- Supported urban development by establishing or improving 35 urban infrastructure assets.
- Promoted rural development and food security by establishing or improving 120 rural infrastructure assets, integrating 57 agribusinesses in efficient value chains, and supported 3,000 farmers in utilizing quality farm inputs and sustainable mechanization.
- Strengthened governance and institutions by helping to build the capacity of 32,000 government officials in design, implementation, monitoring, and evaluation of institutional measures.
- Supported regional cooperation by establishing or improving 34 transport and information and communication technology (ICT) assets.

Project Examples

Kiribati: Climate-Resilient Health Infrastructure and Systems Project. Approved in November 2023, this $27 million AsDF grant will be the Asian Development Bank's (ADB) first investment in the health sector in Kiribati. A low-lying, Pacific Island, Kiribati is highly vulnerable to intensifying cyclones, high tides, and more frequent El Niño climate patterns, which are escalating the risk of noncommunicable diseases, injuries, and infectious and waterborne diseases. The country's health system is ill-equipped to tackle urgent challenges like high child mortality, diabetes and obesity, incidence of disease, as well as poor hygiene practices and inadequate sanitation. The new ADF-funded hospital will be built on higher ground and more inland to adapt to the realities of climate change, thus promoting the long-term sustainability of this climate-resilient asset. The project will improve access to quality health services for more than half of Kiribati's population (63,000 people) by improving health facilities, service delivery, and infection control.

Afghanistan: Expanding Essential Food Security and Health Services Project. Approved in August 2023, this $400 million AsDF grant will mitigate the adverse impacts of the crisis in Afghanistan on the most vulnerable—especially girls, women, and ethnic and religious minorities—and help sustain medium-term development. Since the fall of the previous government in August 2021, the suspension of AsDB's regular development assistance and the decline in global humanitarian support has severely impacted the country's fiscal position. The project will contribute to bridging the financing gap for immediate humanitarian support through following: $200 million for enhancing food security, and $200 million for continuing provision of core public health services. The project will be implemented through provision of direct financing support to three selected United Nations (UN) agencies, which, in turn, will continue the delivery of essential food security and health services with adequate third-party monitoring to the people of Afghanistan.

Kyrgyz Republic: Climate-Resilient Agricultural Value Chain Development Project. Approved in December 2023, this $40 million project (of which half is financed by an AsDF grant) will provide a loan to the Kyrgyz Republic. The government will invest the funds into horticulture-related value chain businesses through qualified participating financial institutions. This on-lending will enable energy-smart investments in refrigerated vehicles, cold storage facilities, primary processing equipment, and value addition processing equipment together with associated fixed assets such as warehouses and buildings. Investments will also include a water- and energy-saving drip fertigation system, soil nutrient protection, integrated pest management, and appropriate crop residue disposal. As the horticultural subsector generates high value produce, the project could contribute significantly to creating sustainable enterprises, increasing employment, and improving household incomes. This project is particularly critical to building resilience in the face of declining availability of water resources caused by climate change and competition for arable land from expanding urban settlements.

Asian Development Bank Programs

	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
IF-CAP Guarantee	--	0	84,378,000
TOTAL	**--**	**0**	**84,378,000**

Program Description

The FY 2025 Budget request includes approximately $84 million for the subsidy cost of a $1 billion guarantee to support a new multi-donor guarantee window for the AsDB **Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP)**. A $1 billion guarantee from the United States would unlock between $4-5 billion in additional AsDB lending for mitigation and adaptation investments and enhance AsDB's role as an alternative to borrowing from China while also excluding China from benefitting from the new financing.

In providing funding for IF-CAP, the United States would join a group of likeminded AsDB shareholders seeking to guarantee a portfolio of up to $3 billion of AsDB sovereign loans. The guarantee would cover a small portion of the AsDB's $130 billion sovereign loan portfolio and if fully funded, free up sufficient capital for the Bank to undertake up to $15 billion in new, additional lending over five years.

This new additional lending would support infrastructure sectors as well as energy, transportation, and adaptation. Additionally, policy reforms would promote low-emission growth and resilience in low- and middle-income and vulnerable AsDB member countries. China and other countries above a certain income threshold would not benefit from this program. Guarantees of MDB lending are a capital-efficient way to increase financing due to the very low default risk of MDB loans to sovereigns.

How Support for AsDB Programs Promotes U.S. Interests

The IF-CAP guarantee facility supports U.S. development and strategic interests in the Asia-Pacific region, including for ADB borrower countries that are members of the Indo-Pacific Economic Forum (IPEF). First, increasing the resources available for mitigation and adaptation strengthens regional partners' energy security and their resilience to both natural disasters and the weaponization of energy supplies. Second, boosting the lending capacity of the AsDB supports a broader goal of strengthening the U.S.-led multilateral development model—making it more attractive to recipient countries than that of strategic competitors—and demonstrating to developing country partners that they need not choose between responding to global challenges and financing basic infrastructure needs, such as transport and sanitation. Third, participation in the program gives the United States a seat at the table to direct a significant volume of new lending for public and private sector projects.

The guarantee's high mobilization potential is consistent with the U.S. strategy of relying on both public and private partners to achieve transformative growth. The AsDB estimates that each $1 in new lending could mobilize as much as $4 in private co-financing, further maximizing the impact of the U.S. guarantee.

Achieving and Measuring Results

A donor committee comprising donor financing partners, which AsDB Management will chair, will guide the selection criteria for IF-CAP projects. Projects will be subject to the same standards, approval process, oversight, and reporting requirements as any AsDB project. The AsDB will monitor and evaluate the results of projects and report to financing partners regularly.

Project Examples

Because IF-CAP is still under development, the following project examples are illustrative.

Sustainable Flood Risk Management in Vietnam. Illustrative of an IF-CAP climate adaptation project, the Adaptive Integrated Flood Risk Management Project, approved in 2020, is supporting the government of Vietnam to implement and maintain effective and sustainable flood risk management systems. The project comprises three outputs with an estimated investment of $275 million, namely the following: institutional and planning capacities for improved flood risk management; rehabilitation and upgrading of dike systems in the Red-Thai Binh and Ma rivers; and flood forecasting and early warning systems for the Red-Thai Binh and Ma rivers.

Bangladesh Climate and Development Partnership. The Bangladesh Climate and Development Partnership (BCDP) represents a cross-sector, multi-stakeholder, and multi-year collaboration aimed at driving large-scale climate actions to support low carbon and climate-resilient development to achieve Bangladesh Vision 2041. The BCDP would adopt a holistic approach involving various ministries, project pipeline development, pragmatic engagement with development partners, strategic use of concessional financing, and up-to-date knowledge of climate risks. Discussions on the BCDP are ongoing, but progress depends on the availability of climate-targeted finance, which IF-CAP would provide.

Inter-American Development Bank Group

The Inter-American Development Bank (IDB) Group comprises the IDB, the Multilateral Investment Fund (also known as IDB Lab), and the Inter-American Investment Corporation (IIC) – commonly referred to as “IDB Invest” – its private sector financing arm. The IDB Group is the largest source of development financing for 26 nations of Latin America and the Caribbean, a strategically significant and economically important region for the United States. IDB Invest promotes development of the private sector in Latin America and the Caribbean by providing loans and guarantees and making equity investments in private sector projects. It also mobilizes private sector capital along with its own investment activities and provides advisory and technical assistance services.

Inter-American Investment Corporation

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
--	--	75,000,000

Treasury requests $75 million to subscribe to a portion of the U.S. share of a capital increase at IDB Invest, which will enhance IDB Invest’s ability to foster private sector-led growth in Latin America and the Caribbean. The Budget includes a request for authorization to subscribe to the full amount of shares issued to the United States under the IDB Invest capital increase.

Program Description

IDB Invest, legally registered as the Inter-American Investment Corporation (IIC), has transformed and grown significantly following shareholders’ decision to consolidate the IDB Group’s private sector activities within IDB Invest in 2015. The general capital increase is critical, as otherwise annual private sector lending from the IDB Group in the region will plateau, and IDB Invest will not have the resources to increase funding for diverse and impactful investments in productive sectors. In 2023, IDB Invest approved approximately $6.1 billion in loans and investments.

Additional capital for IDB Invest will help it to nurture the private sector—the engine of Latin America and the Caribbean’s future growth—and catalyze the necessary resources for investment in high-quality infrastructure and enterprises with strong potential to generate employment. IDB Invest Management is finalizing a new vision and business model, “IDB Invest 2.0,” that would pioneer instruments to catalyze additional private sector capital to address the region’s greatest needs and create jobs and economic growth. This will be achieved through increased mobilization of private capital alongside IDB Invest, more support for project preparation and development, enhanced risk transfer to the private sector, and recycling of capital to foster higher levels of investment while maintaining financial sustainability through an “originate-to-share” model.

How Support for IDB Invest Promotes U.S. Interests

IDB Invest lending, in conjunction with sovereign-guaranteed lending from the IDB, helps achieve U.S. national security, economic, environmental, and foreign policy objectives in Latin America and the Caribbean. Leaders from across the region view the IDB Group as a vital source of financing and important vehicle for promoting hemispheric cooperation. The United States is the largest shareholder in both IDB and IDB Invest, so the IDB Group is a natural vehicle for demonstrating U.S. leadership and building goodwill in Latin America and the Caribbean. U.S. support for the IDB Invest capital increase is a key deliverable of the President's Americas Partnership for Economic Prosperity initiative. By supporting stronger private sector-led growth and job creation in the region, a capital increase for IDB Invest can contribute to the growth of important U.S. export markets, promote supply chain diversification, and help reduce migration pressures in the region.

Achieving and Measuring Results

IDB Invest reports on results primarily through its Impact Management Framework, as well as through the IDB Group's annual Development Effectiveness Overview and Corporate Results Framework. Under its Impact Management Framework, IDB Invest monitors, measures, and evaluates the development impact of projects through its Development Effectiveness Learning, Tracking and Assessment tool, or DELTA. The DELTA tool measures and monitors the impact of projects before and during each stage of their life cycle. It considers development outcomes, to include contribution to social and economic development; project business performance; environmental, social, and corporate governance, and sustainability. DELTA also considers additionality, to include both financial and non-financial additionality.

IDB Invest reports the following for 2022 development impact:

- Active portfolio of supported projects contributed to 13.2 metric ton reduction in greenhouse gas emissions.
- Improved access to agricultural services and investments for 30,000 farmers.
- Economic empowerment initiatives benefited 851,000 women.
- Supported 467,000 direct jobs.

Additional capital for IDB Invest will allow it to boost its development impact by making more impactful investments and mobilizing more private finance. This additional capital will enable IDB Invest to strengthen the suite of tools it employs in designing, monitoring and evaluating investment opportunities that maximize developmental impact and close development gaps. IDB Invest also plans to use funds from the capital increase to seed and assess projects that show promise for eventual investment – referred to as upstream work – to develop a pipeline of bankable projects. The capital increase will also facilitate IDB Invest taking more risk, including by making more equity investments and offering local currency products, and sharing a greater proportion of its investments with the private sector.

Project Examples:

Jamaica – Leveraging the private sector to improve and broaden access to electricity. This $100 million loan leveraged IDB Invest's own capital by bringing in 50 percent participation from a local bank to finance infrastructure investments at JPS, a majority privately owned Jamaican electrical utility. These investments seek to advance universal access to electricity by expanding the transmission and distribution network to 21,000 new households, reducing energy lost during distribution through theft or poor metering, improving IT and digital infrastructure, and investing in operational and customer service infrastructure. These operational improvements not only help move Jamaica toward universal electricity access but also improve grid efficiency and reduce greenhouse gas emissions by 51,925 tons of CO_2 equivalent per year.

Brazil – Utilizing the private sector to provide low-cost health care delivery to low-income patients. IDB Invest provided a $10 million equity investment in Dr. Consulta Ltd, an innovative private company using technology to deliver low-cost healthcare to low-income patients in Brazil, including primary and secondary healthcare services. These patients often lack convenient access to public clinics or face lengthy wait times to access basic services. IDB Invest's investment helped catalyze a total of $38 million of investment in the company. This financing will be used for the following, among other things: open new clinics across Brazil; support the development of the company's healthcare plans; invest in new product and technology development, including telehealth services; and finalize the acquisition of a partially acquired health plan platform. The investment plan is targeted to help the company increase its provision of healthcare access (currently at about 400,000 patients) by 2.3 times. IDB Invest will also provide technical assistance to help Dr. Consulta better meet the health challenges of Afro-Brazilian populations.

European Bank for Reconstruction and Development

Originally established to re-orient Central and Eastern Europe away from communism after the Cold War and the fall of the Soviet Union, today the European Bank for Reconstruction and Development (EBRD) helps countries transition from state-planned to market-oriented economies in several regions of operation, including Eastern Europe, Central Asia, and the Southern and Eastern Mediterranean region. The EBRD primarily invests in the private sector and has a political mandate to work only in countries on the path to multi-party democracy, pluralism, and market economics. In 2023, 80 percent of the EBRD's investment was in the private sector, while its public sector investment often focuses on utilities, municipal services, and state-owned enterprise reform. It also mobilizes private sector capital along with its own investment activities and provides advisory and technical assistance services. The Budget is seeking funding for the initial payment for the U.S. portion of the EBRD's General Capital Increase and authorization to subscribe to the full amount of shares issued to the United States under the General Capital Increase.

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
--	--	50,000,000

Treasury requests $50 million toward the first payment for shares issued to the United States under the EBRD's 2023 General Capital Increase and authorization to subscribe to the full amount of shares issued to the United States. U.S. leadership was instrumental in achieving a strong package of policy commitments to accompany the Capital Increase. Prompt provision of capital will enhance the EBRD's lending capacity to continue its support to Ukraine and other countries of operations as they confront the impact of Russia's war on Ukraine. At a time when success of this institution is paramount, failure to subscribe in full would weaken our voice on the EBRD Board and therefore our ability to oversee implementation of the EBRD's implementation of these commitments.

In December 2023, EBRD Governors agreed to a €4 billion ($4.34 billion) capital increase, which will support the EBRD's activities in Ukraine in the wake of Russia's unjustified war. The capital increase will also facilitate a growing lending trajectory in EBRD's other regions of operations, including the Western Balkans, Central Asia, the Middle East, and Northern Africa. The U.S. share of this capital increase will be $439.1 million to be paid over up to five years. Provided the United States subscribes to the full amount of shares, the United States will remain the largest shareholder in the EBRD following the increase, with 10.09 percent of total voting power.

<u>Program Description</u>

The EBRD is owned by 73 countries, as well as the European Union and the European Investment Bank, and provides loans, equity investments, lines of credit, and guarantees to the private sector in 37 countries of operations. The EBRD approved approximately $13.1 billion in financing in 2023.

The EBRD is financed by capital contributions from shareholders, borrowing from international capital markets, and retained earnings. Shareholders approved the General Capital Increase in 2023 to enable the EBRD to provide significant and sustained investment in Ukraine and other countries of operations. Due to the EBRD's responsible financial management and the use of profits in prior years to facilitate growth, this is only the second capital increase with shareholder funding since the Bank was established in 1991.

How Support for the EBRD Promotes U.S. Interests

EBRD financing supports U.S. policy objectives in the following ways:

- **Reinforces U.S. and international political and security objectives:** EBRD promotes sustainable, inclusive, and private sector-driven economic growth in countries on a path to multi-party democracy and pluralism, many of which are also seeking to transition from economic reliance on Russia and China.
- **Supports Ukraine:** The EBRD was the first MDB to respond following the Russian full-scale invasion of Ukraine, approving a resilience and livelihoods package on March 9, 2022. In 2022 and 2023, EBRD deployed over $3.3 billion to Ukraine, focusing on energy security, vital infrastructure, food security, trade, and the private sector. This was supported by $500 million in grant funding from the United States, as well as approximately $1 billion in additional support from other donors.
- **Advances U.S. Interests in North Africa, Central Asia, Caucasus, and the Western Balkans:** In 2023, the EBRD provided approximately $1.7 billion in financing to public and private entities in Morocco and Egypt, both of which are important U.S. strategic partners. It provided roughly $1.7 billion across the Western Balkans and financed about $1 billion in Kazakhstan and Uzbekistan. EBRD financing helped boost food security, enhance private sector competitiveness, strengthen regional connectivity and market interconnections, and develop the Middle Corridor route in Central Asia.
- **Fosters Private Sector Development:** EBRD targets 75 percent of annual investment in the private sector and provides technical assistance and advisory services to promote a legal and regulatory environment more conducive to private sector growth.
- **Mobilizes Private Finance:** The EBRD has responded to the call by the G20 for the mobilization of private finance for development. In 2024, the EBRD aims to raise its private direct mobilization to $2.2 billion, a 40 percent increase over 2023.
- **Promotes Social Inclusion** by scaling up investments that create economic opportunities for women under its Equality of Opportunity and Gender Strategies.

Meeting U.S. Commitments to the EBRD

Failure to subscribe to the 2023 General Capital Increase would result in dilution of U.S. shareholding. It would significantly weaken U.S. credibility and influence at the EBRD and impair our ability to advance important U.S. strategic priorities in the EBRD's countries of operation, including Ukraine, as it confronts the devastation of Russia's war.

Achieving and Measuring Results

The EBRD reports on results primarily through the annual Corporate Scorecard and the annual Report on Transition, as well as through the annual Evaluation Report by its independent Evaluation Department. The Corporate Scorecard sets key parameters for delivering transition impact and being financially sustainable, while providing additionality at the portfolio level with the highest possible ambition. Transition qualities that the EBRD aims to improve include: (i) competitive, (ii) resilient, (iii) well-governed, (iv) inclusive, (v) integrated, and (vi) green. A Results Monitoring Framework is developed for each investment and set targets for delivery through output and outcomes indicators. These results are aggregated and measured annually against a floor in the Corporate Scorecard. Country Results Snapshots and Country Strategy Results Frameworks support the monitoring of overall country transition results and the EBRD prepares sector strategies as well as strategic initiatives like the Green Economy Transition approach to set strategic directions for a sector across EBRD regions.

The independent Evaluation Department evaluates the performance of the Bank's completed projects and program relative to these targets and systematically analyses the results of both individual projects and wider themes. The EBRD continues to use its Results Management & Self-Evaluation and Knowledge Management Working Groups, created in 2019, to better incorporate evaluation results into project design and strengthen feedback loops.

The EBRD reports that it accomplished the following in 2022:

- $1.8 billion invested in Ukraine to support the energy sector, vital infrastructure, food security, and private companies.
- Green economic transition financing totaling $7 billion, 50 percent of all investment.
- Private sector investment 74 percent of total.
- 158 gender-focused projects, 37 percent of projects signed during the year.

Project Examples

Ukraine – Ukrenergo electricity transmission company. In 2022, the EBRD provided a $391 million financing package to Ukrenergo to make emergency repairs of damage caused by Russia's heavy bombing of civilian power infrastructure in its war on Ukraine and to keep the country's energy system stable. As part of the initial package, the EBRD provided a sovereign guaranteed loan of $315 million, of which $158 million was for equipment for Ukrenergo to implement emergency repairs to the Ukrainian power transmission system and a further $158 million was for capital structure support. The EBRD extended this support in 2023 with a $158 million sovereign-backed loan to support the continued functioning of the power transmission infrastructure and uninterrupted operations of Ukrainian electricity generators, including renewables, and efforts to maintain power supply to the Ukrainian economy and households. Ukrenergo is key to the functioning and development of Ukraine's power infrastructure, and vital to the country's energy independence. This project is subject to the EBRD's full suite of oversight, transparency, and accountability policies, and additional monitoring and auditing requirements, helping to ensure that the funds are used efficiently, effectively, and for their intended purpose. Around 50 percent of Ukraine's transmission grid was damaged or destroyed by Russian attacks in the winter of 2022-2023.

Kosovo – Uje Rugove senior loan. In 2023, the EBRD and the EU's Enterprise Expansion Fund II Western Balkans provided a sustainability-linked loan of $6.5 million to Uje Rugove, an SME and Kosovo's leading producer of bottled water, to help the company improve its competitiveness and expand operations. Uje Rugove will use the proceeds of the loan to purchase a new facility and install high-capacity production lines as part of its plan to introduce new product categories in sustainable packaging. This project is the first example in Kosovo of an innovative green financing instrument, which integrates climate and environmental, social and governance standards, and risk considerations into the financing structure. The loan has three environmental targets: to cut water losses during production, to reduce packaging waste during production, and to introduce into its packaging stretch film and labels that are made of at least 50 percent recycled polyethylene. This highly visible effort will help to set standards for sustainability in the agribusiness sector in the region. The client has also committed to introduce a policy relating to gender and equality of opportunity and to increase the share of female employees engaged in sales and marketing from 4 percent to 10 percent. The project will increase the number of jobs provided by the company by more than 15 percent.

International Monetary Fund

Treasury seeks authorization and appropriations for an increase in the U.S. quota subscription to the International Monetary Fund (IMF) as well as a reduction in the amount of the U.S. commitment under the New Arrangements to Borrow (NAB). The Budget also seeks two authorization requests, both without a request for appropriations: an extension of the existing authorization for U.S. participation in the IMF's NAB, and authorization to lend to two IMF facilities – the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).

IMF Quota and NAB

Treasury requests authorization and appropriations to increase the U.S. quota subscription to the IMF while reducing the level of commitment to the NAB, in line with the United States' successful negotiation to conclude the 16th General Review of Quotas. The increase in the U.S. quota subscription would be for the dollar equivalent of SDR 41,497,100,000, and it protects U.S. interests at the IMF by holding all members' relative quota shares constant. The reduction in the U.S. commitment to the NAB would be for the dollar equivalent of SDR 9,186,740,000 and would also keep our share of NAB resources roughly constant. We seek authorization and appropriations from Congress by the end of the consent period for the 16th General Review of Quotas on November 15, 2024.

Treasury also requests authorization to renew the existing U.S. participation and financial commitment to the IMF's NAB. Currently, U.S. participation in the NAB is authorized until December 31, 2025, and we request that Congress extend the authorization until December 31, 2030. If we do not notify the IMF of our intention to continue our participation in the NAB by December 2024, we risk forfeiting our NAB shares, which will then be taken up by other NAB participants, including China.

There is no budget cost associated with this request to increase the quota subscription, reduce the level of the NAB commitment, or authorize renewal in NAB participation. The U.S. transactions with the IMF under the quota and NAB subscriptions do not increase the deficit in any year and are viewed as an exchange of monetary assets. The budget excludes these transfers from budget outlays and receipts, consistent with the budgetary treatment for exchanges of monetary assets recommended by the President's Commission on Budget Concepts in 1967.

<u>Program Description</u>

- The IMF is responsible for promoting the stability of the international monetary and financial system. During previous international economic crises, including the Asian financial crisis, the Global Financial Crisis, and in the wake of COVID-19 and Russia's war against Ukraine, the IMF has been at the center of the global crisis response efforts, helping mitigate the impact of the crisis in its member countries and prevent contagion, all while advancing U.S. strategic interests abroad.

- Quota resources are the main source of IMF resources. A member's quota subscription determines its contribution to and potential borrowing from IMF general resources, and also determines a member's vote share in IMF governance decisions. Quota resources are a predictable and transparent source of resources, and their provision supports an adequately resourced IMF at the center of the global financial safety net. The United States, through the size of its quota share, maintains a veto over major IMF governance decisions that require an 85 percent majority vote.

- The NAB is a multilateral borrowing arrangement between 38 IMF member countries, including the United States, to the IMF's general resources. Current NAB resources are about $480 billion. The NAB serves as a backstop for the IMF's general resources and can be activated under certain circumstances. The NAB helps make sure that the IMF can respond quickly to global financial crises and restore stability to economies and markets, minimizing negative spillovers that could affect the U.S. economy. The United States has a veto over the activation of the NAB or any major changes to its terms or size, as these actions require an 85 percent majority vote of NAB participants.

<u>How the IMF Promotes U.S. Interests</u>

Since its creation in 1944, the IMF has played a central role in the international financial system and has strongly supported U.S. national interests. Through its three main activities – macroeconomic surveillance, technical assistance, and lending – the IMF promotes economic stability and helps prevent and resolve financial crises when they occur, thereby supporting growth and stability around the world. The United States is the largest shareholder in the IMF with a voting share of 16.5 percent, making us the only country with veto power over major IMF decisions and providing us with significant influence at the IMF. This leadership position has allowed us to influence key policy and lending decisions of the IMF.

In our negotiations during the 16th General Review of Quotas, the United States secured a 50 percent equi-proportional increase in quota resources that fully protects our quota and vote shares. The increase restores the IMF to a quota-based institution by reducing the IMF's reliance on borrowed resources, including a reduction in the NAB and the complete elimination of the Bilateral Borrowing Agreements (BBAs). The United States does not participate in the BBAs, which are the third line of IMF resources after quota and NAB, and their elimination increases our influence and visibility over IMF operations.

The IMF plays a key role in protecting U.S. national economic and security interests by:

- serving as the world's first responder during financial crises by providing financial support and hands-on economic and financial policy advice;
- supporting U.S. national security through financial support to countries such as Ukraine;
- providing an alternative to opaque lending practices by some countries and requiring macroeconomic reforms to strengthen growth and stability;
- reviewing countries' exchange rate policies to make the global system more fair;
- assessing countries' compliance with the Financial Action Task Force's (FATF) standards on terrorist financing and money laundering and providing technical assistance

on how to improve Anti-Money Laundering and the Counter the Financing of Terrorism (AML/CFT) regimes; and
- providing capacity development to strengthen economic governance and reduce corruption.

The IMF also provides support for major U.S. partners such as Ukraine, Jordan, and Egypt to help stabilize their economies and implement fundamental macroeconomic and governance reforms. IMF lending to Jordan, for example, provides the resources and the framework for the country to address underlying economic issues, boost growth, and protect the poor.

IMF Facilities and Trust Funds

FY 2023 Enacted	FY 2024 Consolidated CR	FY 2025 Request
20,000,000	20,000,000	0

The Budget does not request any appropriations for IMF Facilities and Trust Funds. The Budget requests the necessary lending authorization using prior appropriations to loan up to $21 billion to the PRGT—the IMF's concessional lending facility for low-income countries—and $10 billion to the RST. The subsidy cost of lending to these facilities will be covered by prior appropriations.

These proposed loans are vital to enable the IMF to continue providing support to poor and vulnerable countries struggling with the effects of the pandemic and the spillovers from Russia's war against Ukraine. These contributions represent a critical opportunity to demonstrate U.S. leadership by providing transparent lending through the IMF to vulnerable countries, thereby helping to build a more secure global economy. In October 2021, President Biden joined other G20 leaders in announcing a global ambition to provide $100 billion in support for the global recovery, including through the IMF's PRGT and the RST. Correspondingly, by leveraging contributions from other countries, our authorization request to lend to these facilities with prior appropriations will help unlock $100 billion in transparent lending to vulnerable countries, providing them with an alternative to other bilateral sources of financing.

Program Description

The PRGT is the IMF's concessional financing facility, through which it makes subsidized loans to support the world's 69 poorest countries. Concessional PRGT financing helps support macroeconomic stability and enable critical spending so countries can stabilize their economies in response to balance of payments crises, while pursuing structural reforms to increase their longer-term growth prospects. In addition, the United States has supported establishing a new IMF facility, the RST, which is intended to provide support to help countries undertake key structural reforms to improve their energy resilience, promote balance of payments stability, and address longer-term vulnerabilities such as those posed by pandemics and climate change.

Poverty Reduction and Growth Trust (PRGT): In the wake of Russia's war against Ukraine and the COVID-19 pandemic, the IMF has approved lending of about $29 billion in transparent, concessional support to more than 50 low-income countries through the PRGT. This support has been instrumental in helping these hard-hit poor countries respond to the pandemic and prevent economic collapse amid acute balance of payments stress. Many PRGT-eligible countries lack reliable access to global capital markets, so PRGT financing is especially critical to support macroeconomic stability in these countries. IMF programs through the PRGT generally support policy reforms to help address longstanding challenges related to macroeconomic, governance, domestic resource mobilization, and debt sustainability.

Resilience and Sustainability Trust (RST): The RST enables the IMF to support its members in strengthening their resilience to the economic impacts of pandemics and climate change. The RST provides longer-term, low-interest financing to low- and middle-income IMF members that have other full-fledged IMF programs to support additional reforms in areas such as improving energy security and external resilience. By providing financing alongside regular IMF programs, RST lending is fully protected through IMF lending safeguards, including strong governance requirements on borrowers, and programs are overseen and approved by the IMF's Executive Board. The RST is critical to support vulnerable countries' efforts to implement structural reforms to enhance their resilience to the macroeconomic risks associated with pandemics and to promote transitions to more sustainable energy sources, thereby, among other things, reducing their energy dependence on malign actors.

<u>How Support for the IMF Trust Funds Promotes U.S. Interests</u>

Sustaining the PRGT's ability to continue to lend to low-income countries directly supports macroeconomic stability in developing countries struggling with the effects of the pandemic and the spillovers from Russia's full-scale war against Ukraine, an important supplier of grain and other critical items. Globally, the World Bank estimates that roughly 100 million people fell into poverty as a result of the COVID-19 crisis amid rising food insecurity and inequality. Low-income countries are still facing a challenging external environment for economic recovery, including elevated commodity prices, limited fiscal space, and tight financial market conditions with limited access to international capital markets. A U.S. loan to the PRGT would allow the IMF to continue providing robust levels of concessional support to low-income countries and would particularly benefit the most vulnerable populations in these countries.

The RST complements the IMF's current financing tools by providing affordable, long-term financing alongside a regular IMF program for countries facing current or potential balance of payments needs resulting from longer-term sources of risk. Through this, the RST helps build vulnerable countries' capacities to address pandemics, improve energy security, and build resilience to the impacts of climate change. The RST helps countries better protect their most vulnerable members from the worst effects of global health crises and climate risks, reduce energy dependence on malign countries, and reduce global vulnerability to shocks in these areas.

U.S. loans to the PRGT and the RST would send a powerful signal of U.S. support for struggling poor countries, demonstrate the United States' commitment to lead at the IMF, particularly in providing transparent, sustainable lending for U.S. policy priorities, and would likely have a catalytic effect on contributions from other IMF member governments. The absence of U.S.

support to these facilities, by contrast, would undercut our ability to influence their direction and our role as the IMF's leading shareholder.

Program Examples

In contrast to the multilateral development banks, the IMF does not lend for specific projects. Instead, IMF programs are meant to help member countries address balance of payments problems, respond to financial crises, stabilize economies, build external buffers, and promote sustainable growth. IMF financing has played a critical role in enabling member countries to respond to shocks from crises such as Russia's war in Ukraine and the COVID-19 pandemic.

Malawi: IMF lending is helping Malawi to promote macroeconomic stability, build a foundation for inclusive and sustainable growth, and address weaknesses in governance and institutions. In recent years, Malawi has faced a series of economic challenges, including shocks from the COVID-19 pandemic, Russia's war against Ukraine, a cholera outbreak, and three cyclones. Despite these challenges, the authorities have built a track record of reform over the last year under a non-disbursing IMF program, demonstrating strong policy commitments including through improved fiscal discipline; undertaking a bold exchange rate adjustment; rebuilding international reserves; and making progress in external debt restructuring. Building on those policy efforts, the IMF approved a 48-month, $175 million program for Malawi under the PRGT in November 2023. Strong progress under the program is expected to catalyze additional support.

Papua New Guinea: an IMF program is helping the country undertake important economic and financial sector reforms, while providing financing to withstand external shocks for a more resilient economy. Papua New Guinea is a fragile island country in the Indo-Pacific with a weak economic base that is highly dependent on commodity prices. These challenges have contributed to foreign exchange shortages and risks to public debt sustainability. Despite the hurdles, the authorities demonstrated strong policy commitments over the prior year under a non-disbursing IMF program and sought additional support to continue reform efforts. Building on those efforts, the IMF approved in March 2023 a 38-month, $918 million program focused on addressing structural impediments to growth and poverty reduction, including through fiscal consolidation, a transition to a market-based exchange rate, and enhancements to AML/CFT and anti-corruption measures. Papua New Guinea has demonstrated strong implementation thus far. A successful IMF program in Papua New Guinea that alleviates poverty and improves growth, aided by concessional financing through the IMF's PRGT, is a positive example of the benefits from the current international economic system for the Indo-Pacific region and fragile states around the world.

Quality Infrastructure

Global Infrastructure Facility

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
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The FY 2025 Budget includes $5 million for a first-time contribution to the Global Infrastructure Facility (GIF), a World Bank financial intermediary fund whose goal is to increase private participation and investment in developing country infrastructure. Such a contribution would be consistent with our G7 commitment to increase infrastructure investment under the Partnership for Global Infrastructure and Investment (PGI). The GIF addresses one of the most critical barriers to infrastructure investment for both the public and private sectors, the lack of investment-ready projects, and does so at a global level in partnership with a variety of MDBs.

Program Description

Established in 2014 as a G20 initiative, the GIF provides funding and technical assistance for project preparation to governments and MDBs seeking to build pipelines of investment-ready infrastructure projects and attract private investment. The GIF works with MDB technical partners to design, prepare, and structure infrastructure projects across a variety of sectors, including water and sanitation, transport, clean energy, information and communications technology (ICT), and social services. The GIF's unique "open access" model allows it to work with all MDBs, development finance institutions—including the Development Finance Corporation—and other public partners. The GIF is particularly effective at private capital mobilization, accounting for 15 percent of private capital mobilized at the World Bank. Since its inception in 2014 and as of October 2023, the GIF has supported 166 project activities across 67 countries. If all GIF-supported project activities reach commercial close or signing of agreement on commercial terms of a project, they will potentially mobilize a total investment of $108 billion, of which $71 billion is expected to come from the private sector.

The GIF Governing Council comprises GIF donors, technical partners from partner MDBs, and a rotating selection of developing country representatives. If the U.S. funds the GIF, it will also have a seat on the Governing Council. The GIF also has an Advisory Council consisting of Governing Council members and private sector representatives. The GIF's monitoring and evaluation framework assesses its portfolio performance on a quarterly basis and prepares bi-annual progress reports.

How Support for the GIF Promotes U.S. Interests

The lack of bankable projects is a primary barrier to infrastructure investment in developing countries. While the United States supports project preparation bilaterally, joining a multilateral project preparation facility allows us to leverage the expertise of an array of MDB partners and their trusted relationships with recipient country governments.

The GIF's portfolio (as of October 2023), as a share of funding by volume, is comprised of 40 percent transport sector projects; 34 percent energy; 9 percent water, sanitation, and hygiene; 6 percent social infrastructure; 5 percent ICT; 4 percent multisector; and 1 percent municipal solid waste. This sectoral composition is aligned with U.S. priority sectors for development and national security. For example, transportation is a key sector for strengthening supply chain resilience, providing an alternative to taking on debt from China, and reducing greenhouse gas emissions. The GIF also assesses 100 percent of projects through a gender lens—e.g., ensuring that women have equal access to the services or benefits of an infrastructure investment—and promotes 100 percent alignment with the G20 Quality Infrastructure Investment (QII) principles, a G20 priority initiative for the United States.

The GIF also has significant private capital mobilization capability. For every dollar in GIF support, GIF transactions that have reached financial close have mobilized $100 in private capital, an impressive actual mobilization ratio of 100x and highly efficient use of public funds.

Becoming a GIF donor will secure the United States a seat at the table to influence this well-respected infrastructure development institution alongside several close allies. Our support would be consistent with the G7 commitment to increase infrastructure investment through upstream work that expands the pipeline of investible infrastructure projects for both public and private investment. The GIF also provides an opportunity to support the operationalization of QII principles, contributing to the Administration's goal of promoting high-quality, transparent, and sustainable infrastructure in developing countries.

Achieving and Measuring Results

Most of GIF's 166 infrastructure projects are still undergoing preparation and, as of October 2023, 21 have reached commercial or financial close, *i.e.*, the end of the project preparation pipeline and the beginning of project implementation. These 21 projects are expected to mobilize $10.5 billion in private investment. The GIF's existing project structuring support activities leading to direct investments are expected to provide new or increased access to services to approximately 39 million people, households and/or firms, add around 8,700 MW in renewable energy generation capacity, and reduce GHG emissions by an estimated 51 million tons of CO_2 per year.

Project Examples

Côte d'Ivoire: Unlocking opportunity with clean mass transit. In Abidjan, Côte d'Ivoire, the city's inadequate public transportation system is a major bottleneck to growth; in response, the World Bank and government of Côte d'Ivoire are devising a Bus Rapid Transit (BRT) system to drive national growth and promote private sector-led competitiveness. The World Bank brought in GIF experts to provide technical assistance to assess various public-private partnership options for the BRT and evaluate commercial, financial and economic aspects of the project. Following its assessments, the GIF created recommendations for the optimal business and implementation models for the project, and continues to support the Government of Côte d'Ivoire with transaction advisory support to bring the project to market, assistance with conducting roadshows to attract investors, and preparation and structuring of a transparent and competitive procurement process. With $2 million in GIF funding, the project is expected to mobilize $130 million in private capital, make 600,000 jobs newly accessible to residents of the city's suburbs, and build investor confidence in public transit investment opportunities in Côte d'Ivoire.

Ukraine: Building a safe, high-quality national road network. Even prior to Russia's illegal invasion of Ukraine, Ukraine's road network was in poor condition and in need of an estimated $7 billion of investment, far exceeding the existing maintenance budget. The GIF is working with the World Bank and the Government of Ukraine to develop a road asset management program to rehabilitate, upgrade, and maintain Ukraine's core road network, and identify a pipeline of pilot projects. Based on a concept designed by the GIF, the program's business model will engage the private sector to facilitate quality road network upgrades and long-term maintenance through private investment, with incentives for safety performance. This public-private partnership is expected to attract up to $9 billion of private investment for 2,800 miles of road, and the GIF is now supporting the program's initial pilot transactions.

Energy and Environment

Treasury requests approximately $300.2 million for multilateral trust funds in energy and environment, including the Clean Technology Fund (CTF) and the Global Environment Facility (GEF). U.S. contributions to these funds enhance U.S. and global energy security by helping developing countries increase energy independence, enhance the diversity of energy sources, and decrease dependence on fossil fuel imports. These funds support developing country efforts to conserve and restore forests, landscapes and oceans to prevent drought and extreme weather, protect wildlife, and reduce the impact of dangerous chemicals in our water and food supply. Treasury's support to these funds will also help foster country-level policy reforms that are essential for setting partner countries on lower emission development pathways, integrating adaptation across relevant sectors and strengthening resilience, and for scaling up private sector investment in environmentally sustainable solutions.

Clean Technology Fund

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
125,000,000	125,000,000	150,000,000

Created in 2008, the Clean Technology Fund is the largest component of the Climate Investment Funds (CIFs). These funds support MDB efforts to scale up their engagement on clean energy, climate adaptation, and sustainable land use by providing scarce concessional resources that are blended with regular MDB finance.

The Budget requests $150 million for the Clean Technology Fund to support a hybrid loan and grant contribution. Utilizing the full $150 million in subsidy would support a concessional loan with an estimated value of $414.2 million.

Program Description

The CTF includes several programs, aimed at both the public and private sector, that support energy transitions in emerging economies through the deployment and scaling of clean technologies. By working exclusively through the MDBs and with a carefully selected group of countries, the CTF allows the United States to provide critical concessional finance to transformational clean energy programs and allow beneficiary countries access to cutting-edge energy solutions and an alternative to Chinese lending.

The Accelerating Coal Transition (ACT) Investment program complements the United States' bilateral efforts to promote just energy transitions in targeted countries that have made this strategic choice. The ACT program focuses on helping coal-dependent developing countries to diversify their energy supply while helping affected communities adapt to a changing economy. Using concessional funding from the CTF alongside MDB financing and countries' own resources, the program supports a holistic approach that includes reclamation, decommissioning, and repurposing of obsolete coal power plants and associated infrastructure, as well as social and economic support and re-skilling opportunities for communities impacted by the transition. Additional funds will be mobilized from the MDBs' own resources to support these economy-wide investment strategies and could also support social protection and additional job creation activities. To date, six countries have been selected for the ACT program – the Dominican Republic, India, Indonesia, North Macedonia, the Philippines, and South Africa – that together total 12 percent of annual global GHG emissions. South Africa, Indonesia, and the Philippines have submitted and received endorsement of their ACT program Investment Plans. The Dominican Republic, India, and North Macedonia are expected to submit Investment Plans for approval in 2024.

The CTF's Global Energy Storage Program (GESP) and its private sector windows support a variety of impactful, highly catalytic projects in CTF recipient countries, with a particular focus on mobilizing private finance. The private sector window is open to proposals for private sector projects from over 70 countries in sectors such as energy efficiency, energy storage, renewable energy, electric vehicles, and green hydrogen as a transportation fuel, rail and bus rapid transit, integrated traffic management systems, and green logistics in maritime and intermodal transport. The program is seeing high demand for a variety of storage technologies, including batteries and green hydrogen, and has helped the CTF to attract over $18 billion in expected private sector co-financing over its full portfolio. CTF investments in electric vehicle infrastructure will help expand the market for U.S. technology.

In November 2023, the CTF invited Ukraine, Turkey, India, and Indonesia to submit Investment Plans for the Renewable Energy Integration program to CTF by mid-2024. This program focuses on helping countries make investments in electricity grids, storage, and other measures to maximize the use of their domestic renewable energy production.

How Support for the CTF Promotes U.S. Interests

The CTF is an efficient and cost-effective vehicle to promote large-scale transformational investments in clean technology in major emerging market economies. The CTF oversight body, which includes the United States, is selective about accepting countries into the program, giving the United States a strong say in the allocation of funds and avoiding countries of concern. Because the CTF works exclusively with the MDBs, its programming leverages their staff expertise and institutional infrastructure to provide assurance that projects have robust environmental and social safeguards. This allows the CTF to keep administrative costs low with a small staff footprint while not compromising on quality.

The United States is actively working with the CTF to achieve two key U.S. priorities: improving responsiveness to the priorities of recipient countries and reducing barriers to accessing climate finance. A key component of this effort is supporting a shift to a new generation of CTF Energy Transitions country investment plans. The Energy Transition plans will serve as a platform for recipient countries to develop economy-wide interventions that harness public and private finance and that are tailored to support country priorities, including renewable energy deployment, energy efficiency, clean energy supply chains and industry, transportation, buildings, green fuels (*e.g.*, hydrogen), and storage. The United States is also working with the CTF to explore ways to support investment in new frontier technologies and sectors, including clean energy supply chains in a manner consistent with CTF mandate to reduce emissions in emerging markets.

Achieving and Measuring Results

Since its inception, the CTF has put a strong emphasis on regular results and impact reporting, and it manages a robust evaluation and learning exchange between the MDBs and recipient countries. All CTF projects publicly report on results annually and cumulatively. The CTF portfolio of 179 projects consists of 63 percent renewable energy projects, 15 percent energy efficiency projects, 15 percent combined renewable and efficiency projects, 6 percent transport, and 2 percent energy storage projects. CIF investments have reduced cumulative GHG emissions by 115 million tons of CO_2 since 2009. As of the 2022 results report, the cumulative installed capacity of CTF renewable energy projects is 16.3 gigawatts, with solar and wind being the largest energy source for these installations.

The CTF has a strong track record in attracting co-finance for its investments; on average for every $1 in CTF investment, there is $10.73 of other investment Since 2008, the CTF has allocated $5.23 billion in concessional financing, which is expected to attract an additional $56.1 billion in co-finance into projects including $18 billion is from the private sector, $16.5 billion from the MDBs, $7.2 billion from recipient governments, and $14.6 billion from bilateral funding institutions and other sources.

Project Examples:

South Africa: Eskom Renewables and Battery Support Projects. Supported by $272 million in CTF lending and over $700 million in co-financing from the IBRD and AfDB, the Renewables and Battery Support Projects was restructured to meet the evolving needs of South Africa and invest in new battery energy storage systems to increase the flexibility of the electricity grid, reduce load shedding and support the integration of renewable generation. Upon completion, the investment will support the development of 200 MW (820 MWh) of storage capacity across six selected Eskom sites throughout South Africa and avoid an estimated 20,960,000 tons of CO_2 over the lifetime of the projects. The Renewables and Battery Support Projects are also paving the way for additional private investment, including a June 2022 power purchase agreement with a renewable energy developer that will provide 150 MW of dispatchable renewable energy.

Eastern Caribbean Sustainable Energy Facility. Financed with a $19.1 million loan from the CTF's Dedicated Private Sector Facility and $141 million in co-financing from IDB, the Green Climate Fund, and the Global Environmental Facility, the Sustainable Energy Facility (SEF) has supported geothermal energy development in Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. The SEF is comprised of three components: energy efficiency; regulatory framework, institutional strengthening, and capacity building; and geothermal and renewable energy. Itis designed to reduce financial, technical, and institutional barriers and risks to geothermal energy development in the Eastern Caribbean and thereby attract private investment and expertise. The SEF is expected to mobilize at least $407 million in co-financing from the private sector, avoid 10,152,000 tons of CO_2, and support development of 60 MW of geothermal capacity.

Global Environment Facility

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
150,200,000	150,200,000	150,200,000

Treasury requests a $150,200,000 contribution to the Global Environment Facility (GEF), in support of GEF programs during the eighth replenishment (GEF-8) period (July 1, 2022 – June 30, 2026). The request includes $150.2 million for the third of four planned installments to GEF-8.

Program Description

The GEF is a multilateral trust fund that provides mainly grant-based funding to assist developing and transitional countries in addressing global environmental challenges in five focal areas: biodiversity, chemicals and waste, climate change, land degradation (primarily deforestation and desertification), and international waters. As such, the GEF has a distinct and complementary focus to the other multilateral funds. The GEF is a leading global funder of terrestrial and marine conservation projects. Since its inception, the GEF has provided more than $23 billion in grants and blended finance and mobilized an additional $129 billion in co-financing for more than 5,000 projects.

How Support for the GEF Promotes U.S. Interests

The United States supported the establishment of the GEF in 1991 and has contributed to its eight replenishments. The United States views the GEF as a critical institution for addressing a wide range of environmental concerns and for providing developing countries with the means to meet their obligations under international environmental agreements. The GEF benefits the U.S. economy and environment by addressing many global environmental problems that affect our domestic health, safety, and prosperity, such as by protecting tropical forests, combatting illegal wildlife trafficking, reducing global levels of transboundary pollutants, and conserving fish stocks outside U.S. waters.

Meeting U.S. Commitments to the GEF

The United States has contributed $3.34 billion to the GEF since its inception. Between U.S. fiscal years 2019 through 2022, the United States contributed $546.3 million to the GEF-7 replenishment, exceeding our pledge of $273.2 million. During this period, Congress also appropriated $22 million in additional funds, which were applied to unmet commitments from previous replenishments. The United States has reduced its unmet commitments by $160 million since 2013, when they had reached an historic high of $248 million. As of February 2024, unmet commitments stand at approximately $88 million, all of which are from the GEF-2 replenishment in the 1990s.

In U.S. fiscal year 2023, the United States contributed $150.2 million to the GEF-8 replenishment as the first of four planned installments. In U.S. fiscal year 2024, the United

States will contribute $150.2 million as the second planned installment.[1] The United States pledged $600.8 million to GEF-8.

Achieving and Measuring Results

During the GEF-7 replenishment period, which spanned July 2018 to June 2022, the GEF programmed $3.6 billion in direct project financing, with an indicative co-financing rate of nearly $8.20 for each dollar invested. GEF-7 programming is expected to cumulatively deliver the following results:

- The mitigation of more than 1.5 billion metric tons of GHG emissions;
- The creation or improved management of more than 116 million hectares of terrestrial protected areas and more than 8 million hectares of marine protected areas;
- The improved management of more than 166 million hectares of productive landscapes and more than 28 million hectares of marine habitat (excluding protected areas);
- The ecological restoration of more than 6 million hectares of degraded agricultural land, forests, grasslands, and wetlands;
- The more sustainable management of nearly 3.5 million metric tons of globally over-exploited fisheries; and
- The reduction, safe disposal, or avoidance of 90,400 metric tons of toxic chemicals.

Every four years, the GEF's Independent Evaluation Office (IEO) produces a comprehensive evaluation of past project and operational performance to inform the policy and programming objectives for the next replenishment. The IEO reported that the GEF's project performance was "clearly impressive," with 80 percent of all completed projects over its 30-year history having achieved satisfactory implementation and execution ratings.

GEF-8 is off to a strong start. In June 2023, the GEF Council approved the GEF's largest ever work program, allocating nearly $1.4 billion to 45 projects and programs. In February 2024, the GEF Council approved the GEF's second largest ever work program, allocating $916 million to 46 projects and programs. A notable feature of the GEF-8 programming architecture is an enhanced emphasis on larger-scale systemic investments called Integrated Programs (IPs), which address multiple environmental concerns simultaneously and aim to produce more durable and transformative environmental benefits. GEF-8 supports 11 IPs, several of which build on successful GEF-7 programs, including the Wildlife Conservation for Development IP and the Amazon, Congo, and Critical Forest Biomes IP. Others, such as the Circular Solutions to Plastic Pollution IP, address emerging environmental concerns. GEF-8 is already delivering strong results in areas such as biodiversity conservation, sustainable land use and seascape management, and pollution mitigation.

Project Examples

Global: Global Wildlife Program. The Global Wildlife Program is a global partnership for wildlife conservation and crime prevention that combats poaching, trafficking, and demand for illegally traded wildlife and wildlife products in countries in Africa, Asia, and Latin America and the Caribbean. Across two phases, the GEF has provided $135 million to developing countries,

[1] Subject to enactment of appropriations for fiscal year 2024.

which has leveraged $1.3 billion in co-financing. This funding enhanced antipoaching tracking and intelligence operations, supported law enforcement capacity to enforce antipoaching and tracking laws, increased the size of parks, and provided livelihood benefits through nature-based tourism. Several parks supported through the program have reported zero poaching even with increased and improved management and surveillance. The program has supported the revision and strengthening of wildlife laws and regulations and the training of over 13,000 law enforcement, criminal justice, and wildlife management staff, resulting in many successful prosecutions of wildlife criminals. It has protected a wide range of wild animals, from cheetahs and jaguars to elephants and rhinos to pangolins. Following the outbreak of COVID, projects have also begun to include the issue of zoonotic disease spillover risk and close connections between wildlife, livestock, and human health.

Central Africa: Congo Critical Forest Biome IP. In 2023, the GEF Council approved a $56 million grant for this IP, with $429 million in co-financing. Building on support given by the GEF, USAID, and other donors, it specifically targets critical landscapes where solutions are needed to stabilize forest cover or avoid the loss of peatlands and reduce threats to wildlife populations in Central African countries. The overall objective is to improve the conservation and effective governance of critical landscapes in the Congo Basin Forest Biome, and the IP is expected to result in the improved management of 8.15 million acres of forests. Over a twenty-year horizon, this IP is expected to reduce more than 110 million metric tons of CO_2 equivalent and support wildlife such as gorillas, chimpanzees, bonobos, and elephants, in addition to more than 400 species of mammals, 1,000 species of birds, 700 species of fish, and 10,000 species of plants. Similar coordinated efforts are being supported in the Amazon, Mesoamerica, West Africa, and the Indo-Malay regions.

Food Security

International Fund for Agricultural Development

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
43,000,000	43,000,000	54,000,000

The FY 2025 Budget requests $54 million for the first of three installments toward the International Fund for Agricultural Development's (IFAD) thirteenth replenishment (IFAD-13).

Program Description

IFAD is a small international financial institution supported by 177 member countries and dedicated to alleviating rural poverty, hunger, and malnutrition, and to supporting rural people to increase their incomes, productivity, and resilience in the face of a changing climate. The United States is a founding member of IFAD and its largest historical contributor. To date, the United States has contributed $1.2 billion to IFAD.

Most IFAD-supported projects are in remote rural areas with high levels of poverty where few donors operate. In 2023, IFAD approved $534.7 million in new projects, additional financing, and grants. Its total project portfolio currently amounts to $8.1 billion. Most IFAD projects are in Africa and focused on low- and lower-middle-income countries. In 2023, the regional distribution of IFAD approvals for new projects and additional financing was East and Southern Africa, 34 percent; West and Central Africa, 31 percent; Asia and the Pacific, 17 percent; Near East, North Africa and Europe, 16 percent; and Latin America and the Caribbean, 2 percent. Contingent on the receipt of member state contributions, IFAD projects that the total program of loans and grants over the course of the IFAD-13 (2025-2027) replenishment period may reach $3.6 billion.

How Support for IFAD Promotes U.S. Interests

Through its singular focus on supporting rural economic growth, IFAD contributes to key U.S. priorities, including advancing inclusive growth, strengthening agricultural productivity and food security, reducing poverty in the remotest areas of poor and fragile countries, and supporting millions of rural people to adapt to and build their resilience to climate change. Since its founding, IFAD has leveraged every dollar of contributions to its core resources into six dollars of investment into rural communities.

IFAD works to crowd in private sector investment to the agricultural sector and food value chains. Since its launch in 2021, IFAD's Private Sector Financing Programme (PSFP) has deployed $33 million into eight operations that attracted $155 million in co-financing. IFAD aims to scale up the PSFP under IFAD-13 to catalyze up to $450 million in co-financing.

Funding for IFAD also advances U.S. national security interests by supporting economic livelihoods and social stability in poor rural communities, including in fragile states around the world, helping to reduce pressures that can lead directly to mass migration, extremism, and armed conflict.

Achieving and Measuring Results

IFAD has set ambitious development impact targets for the IFAD-12 (2022-2024) period, with a total estimated program of loans and grants of $3.35 billion. Through 2022, development impact highlights of IFAD's ongoing projects included:

- 79 million rural people benefitting from IFAD-financed projects, with 50 percent being women, 26 percent Indigenous Peoples, and 22 percent youth;
- 1.9 million hectares of land brought under climate-resilient management practices and irrigation improved on nearly 400,000 hectares of land;
- 10 million people gaining access to financial services and nearly 700,000 rural enterprises with access to business development services;
- 3.5 million people trained in income-generating activities; and
- Over 34 percent of core resources allocated to countries with fragile contexts, and 30 percent of the program of loans and grants directed to climate finance.

IFAD's Independent Office of Evaluation (IOE) reports directly to the Executive Board and is responsible for validating project completion reports and conducting corporate-level reviews on governance and operational effectiveness. The 2023 IOE annual report finds continued strong performance in relevance, natural resource management and climate change adaptation, and innovation. The IOE also highlighted continued room to strengthen efficiency and effectiveness, particularly in fragile contexts. To address these findings, IFAD will strengthen support to projects at the design and implementation stages, as well as assess the role of IFAD Country Offices.

Project Examples

Kiribati: Outer Islands Food and Water Project (OIFWP). This $10.4 million project, supported by $6.6 million in IFAD financing, aimed to enhance self-reliance and social capital within small island communities by providing households with the necessary resources and technical skills to implement community development interventions. This included the establishment of Island Councils and nearly 500 water-user groups across nine islands. Special attention was given to vulnerable groups, especially women and young people aged 15-30. As of March 2023, during the last year of implementation, a significant proportion (62 percent) of island facilitators and community facilitators were women, as were 8 out of 10 project management unit staff. Furthermore, women held 1,106 leadership positions in water-user groups, accounting for 44 percent of these positions. The project also aimed to address household food and nutrition issues through establishing nearly 180 community nurseries, home garden skill building, and nutrition education initiatives.

Sudan: Integrated Agriculture and Marketing Development Project (IAMDP). This $49.7 million project, supported by $26 million in IFAD financing, established innovative partnerships between producers' groups and seed companies. The project aimed to build farmers' capacities, while seed companies provided technical assistance and engaged farmers for the procurement of sorghum, groundnut, and sesame seeds. The partnership resulted in the production of 489 metric tons of certified seeds on a total area of about 1,900 hectares. Thanks to the use of certified varieties, average yield increased by 50 percent, even under unfavorable rainfall conditions. Moreover, 269 seed growers (79 women and 190 men) accessed advisory services for seed production and transferred acquired training to an additional 853 seed growers (323 women and 530 men) through their producers' groups. The food security of the seed growers improved considerably, from 8 to 12 food-secure months.

Technical Assistance

Office of Technical Assistance

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
38,000,000	38,000,000	40,000,000

Treasury requests $40 million for Treasury's Office of Technical Assistance (OTA).

<u>Program Description</u>

OTA works with finance ministries, central banks, and other relevant government institutions in emerging markets and developing economies to support efficient revenue collection, well-planned and executed budgets, judicious debt management, sound and inclusive banking and financial systems, and strong controls to combat money laundering and other economic crimes. OTA complements the work of Treasury's Offices of International Affairs and Terrorism and Financial Intelligence by helping the governments of partner countries build the human and institutional capacity to implement improvements in economic policies and policies to counter terrorist financing. OTA also supports partner countries' efforts to raise their own domestic resources more effectively, thereby reducing dependence on foreign assistance. OTA's work is critical for meeting U.S. foreign policy and national security goals, such as private sector-led economic growth, reduced corruption, infrastructure development, energy access and security, and increased accountability and transparency.

OTA is a small, cost-effective, results-driven program that leverages a cadre of highly experienced technical advisors who work side-by-side with host country counterparts to achieve fundamental and impactful reforms. Recent examples of important reforms achieved by partner countries with OTA assistance are highlighted below. Currently, OTA has projects in 45 countries in Latin America, Africa, Europe/Eurasia, and Asia.

Demand for OTA assistance around the world is strong and continues to increase. OTA would use the requested budget resources in FY 2025 to respond to this growing demand, with an emphasis on those areas that are priorities for the United States, including combating terrorist financing and financial crimes, reducing dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for inclusive private sector-led economic growth, including by improving the climate for private sector investment in sustainable infrastructure projects. Additionally, the requested resources would enable the program to assist partner countries in developing and implementing fiscally-sound approaches to financing energy or environmental projects, including renewable energy and infrastructure projects, expanding access to financial services, and strengthening transparency and accountability in public finance systems to combat corruption. The request also supports important ongoing enhancements to OTA's project monitoring and evaluation regime.

How Support to OTA Promotes U.S. National Security and Economic Growth

OTA performs an important role in support of U.S. national security by helping emerging markets and developing countries combat financial crimes, money laundering, and terrorist financing. In addition, OTA helps to stabilize banking systems, develop capital markets, improve investment climates, including for infrastructure, and improve transparency and accountability in government finances. This helps to spur private sector-led economic growth and lay the foundation for U.S. exports and investment across continents and countries.

Achieving and Measuring Results

Monitoring Progress

OTA has a robust system for monitoring technical assistance project performance, from project design through execution to post-project evaluation. At the inception of each project, OTA and the relevant foreign government ministry or central bank counterparts identify the high-level aims of the engagement, which are reflected in signed terms of reference. The terms of reference are complemented by a detailed project framework that specifies the project goals, activities to be undertaken by OTA and the counterparts, and the expected short- and long-term outcomes that support key counterpart reforms. Project-specific indictors are used to monitor progress toward achieving outcomes and provide evidence that the goals of the project have been met. OTA, in consultation with its counterparts, then develops an annual workplan to sequence and execute the planned activities contained in the project framework.

As each project is executed, OTA advisors provide monthly reports and trip reports to Treasury leadership and other stakeholders on the execution of the project plan, including progress against objectives. These reports are validated through ongoing dialogue with advisors coupled with project reviews – both in-person and remote – conducted by OTA management. OTA also systematically assesses the level of "traction," or the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. The levels of traction and other indicators of project progress are closely monitored by OTA senior management, including as part of formal project reviews conducted three times per year.

OTA will continue to enhance its project monitoring capabilities. For example, the program has begun producing and collecting standard data on program design and implementation, enabling the development of project level dashboards that support OTA management in making data-driven decisions about project performance, including investing additional resources into projects with high traction, and making timely interventions into stalled or faltering projects. Moving forward, the program will continue to refine project monitoring tools that facilitate comparisons across projects, regions, project modalities, and other project characteristics as OTA further refines its ability to plan and execute impactful projects.

Strengthening Project Evaluation

In accordance with the Foreign Aid Transparency and Accountability Act (FATAA), OTA continues to strengthen its ability to measure the results of its technical assistance projects through improved evaluation tools, including conducting independent (third-party) evaluations of OTA projects. To support the costs of independent evaluations and related activities, OTA is requesting $4 million in program resources. These resources will support an estimated 14 evaluations in FY 2025, including 20 external evaluations and four conducted by OTA personnel. Once OTA's enhanced evaluation regime is fully implemented, each OTA project would be subject to an independent evaluation at its midpoint (generally after the second year of technical assistance activities) and 6-12 months after a project concludes. Evaluations seek to determine the extent to which project goals were achieved and are likely to be sustained and enable OTA to keep learning about how to best design and implement impactful projects. The results of evaluations will continue to be made available to the public as required by the FATAA.

Project Examples

Ecuador Attracts Private Sector Investment for Green Infrastructure Projects. OTA assisted the Government of Ecuador's efforts to privately finance two major renewable energy – wind and solar – projects. These projects were the first large-scale renewable energy products in Ecuador to be fully financed with private capital, a critical achievement considering the country's significant infrastructure needs and fiscal challenges. OTA assisted the Ministry of Economy and Finance (MEF) and the Ministry of Energy and Mines to identify and address serious contract deficiencies and bankability issues that had initially stalled both projects. OTA also supported the MEF to establish an internal review process whereby the ministry engages with other government agencies to assess and improve the bankability and fiscal sustainability of proposed infrastructure projects. The government has used this new review process to award 10 additional renewable energy projects.

Kenya Improves Tax Debt Collection. With OTA support, the Kenya Revenue Authority (KRA) undertook several reforms to strengthen revenue collection as part of a broader effort by the government to improve public financial management. The KRA reformed its regime to recover tax debts – amounts owed to the government by taxpayers – through the development and implementation of strategies to decentralize authority on tax debt cases, including to provide reasonable and acceptable flexibility to tax officials in establishing installment payment agreements with taxpayers based on sound financial analysis. OTA also helped the KRA to increase organizational efficiency by using risk-based strategies to manage employee workload as well as through optimized and documented internal procedures and practices. As a result of these reforms and other actions, tax revenue collection reported by the KRA has more than tripled from $185 million in 2017 to $653 million in 2023.

Vietnam Enhances Public Expenditure Accountability. In 2023, the Government of Vietnam implemented a risk-based internal audit regime to enhance control and accountability of public expenditures. This achievement is an important part of the comprehensive reform program undertaken by the government – with support from OTA – to strengthen public financial management and fiscal transparency. OTA helped Vietnam's State Treasury (VST) to identify and prioritize risks within the organization and its public expenditure processes and supported VST in executing a pilot internal audit, the findings of which helped to determine whether and what extent public funds were received and expended in compliance with all appropriate authorities. The pilot audit led to VST's adoption of enhanced internal audit policies and procedures and laid the foundation for VST to implement an annual risk-based internal audit plan to increase the accountability of government entities with regard to expenditure of public funds.

Zambia Combats Drug Trafficking through Improved Inter-agency Cooperation. With OTA support, the Zambian Financial Intelligence Unit (FIU) and other Zambian anti-money laundering / countering the finance of terrorism (AML/CFT) stakeholders, including the Drug Enforcement Commission (DEC) and Director of Public Prosecution, established an inter-agency task force focused on combating illicit financial flows. OTA mentored AML/CFT stakeholders on how to collaboratively identify proceeds as well as assets linked to criminal activity, and how to effectively communicate these findings to prosecutors to initiate seizure orders. As a result of improved communication and coordination, the DEC successfully interdicted a major narcotics shipment destined for northern Africa. An ensuing investigation by the DEC in coordination with other task force members further resulted in the seizure by Zambian authorities of more than $5 million in cash, approximately $8 million in gold, and two aircraft.

The Dominican Republic Improves Access to Finance. The Government of the Dominican Republic (GoDR), with OTA support, passed a Secured Transactions Law in 2020 that went into force in 2023, allowing non-traditional forms of collateral (i.e., inventories or crops) to be used to obtain loans, thereby increasing access to affordable finance, particularly for micro, small, and medium enterprises. To support implementation of the law, OTA assisted the GoDR to launch an electronic collateral registry (known as an “e-registry”), establishing a system for the new forms of collateral to be officially registered. OTA helped to define technical requirements and to develop, test, and socialize the registry with financial sector stakeholders. The system has been well-utilized, processing nearly 80,000 new collateral registrations within the first ten months of operation. Previously, the registration process was paper-based and would often take several months for borrowers to secure loans due to the lack of readily available information about existing claims against collateral. The new Secured Transactions Law and e-registry will enable financial institutions to make faster and better-informed lending decisions with real-time information and provide a foundation for non-traditional forms of collateral to improve access to finance for low-income and small business borrowers.

Debt Restructuring Programs

U.S. efforts on debt restructuring and debt relief have been fundamental to helping some of the world's poorest countries restore economic stability, resume economic growth, and reduce poverty. In recent years, these programs have included the Heavily Indebted Poor Countries (HIPC) Initiative and the Tropical Forest and Coral Reef Conservation Act (TFCCA). Since 2000, over 40 countries, including Haiti, Afghanistan, Liberia, Somalia, Indonesia, Costa Rica, and the Philippines have benefitted from U.S. debt relief and restructuring programs. The Budget requests $10 million for Common Framework and Paris Club debt treatments. No funding is requested for the HIPC Initiative or the TFCCA at this time.

Common Framework and Paris Club

	FY 2023 Enacted	FY 2024 Continuing CR	FY 2025 Request
Request	52,000,000	52,000,000	10,000,000
Rescissions	-	-	(-)111,000,000

The Budget requests $10 million for multilateral debt initiatives including the Common Framework and Paris Club debt treatments. This funding is necessary to fund the cost of debt treatments for poor countries under the Common Framework and as part of the United States' broader debt restructuring participation in the Paris Club. Without this funding, the United States would have to delay urgently needed debt treatments in the Paris Club and Common Framework processes. Predictability and timeliness of the debt treatment process is one of the top priorities of participating countries.

The Budget for this section also includes a rescission of $111 million, for Sudan. These funds were to allow U.S. participation in a HIPC initiative for Sudan in 2024, but the country's ongoing civil war has put an indefinite pause on this initiative for the near term.

Program Description

The Common Framework, endorsed by the G20 and Paris Club in November 2020, offers a mechanism for eligible countries to seek comprehensive debt treatment to address unsustainable debt and heightened liquidity needs. The Common Framework aims to facilitate timely and orderly debt treatments within the context of an IMF program and fosters fair burden sharing among all official bilateral creditors and comparable treatment from private creditors. There have been four requests for Common Framework to date, and the United States is a creditor to two of the countries, Zambia and Ghana. One of the cases is now complete, with the others still in progress.

How Support to the Common Framework and Paris Club Promote U.S. Interests

In 2020, the United States helped lead G20 and Paris Club efforts to establish the Debt Service Suspension Initiative (DSSI) and Common Framework as key pillars of the international policy response to the COVID-19 pandemic. While the DSSI program has now ended, the Common

Framework continues to be a significant enhancement to the sovereign debt architecture as it brings non-Paris Club creditors, namely China (the largest official lender to developing countries), into a coordinated, multilateral debt resolution process for the first time. This will help advance the fairness and transparency of the debt resolution process by avoiding ad hoc debtor country negotiations with non-Paris Club creditors and will help maximize support to low-income countries hit hardest by the pandemic and facing debt distress. The initiative seeks equitable burden-sharing among official bilateral creditors (members and non-members of the Paris Club) and private creditors through comparability of treatment to help beneficiary countries return to a sustainable growth path.

Treasury International Assistance Programs

FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
--	--	15,000,000

The FY 2025 Budget requests $15,000,000 in additional resources to support initiatives at international financial institutions (IFIs), financial intermediary funds and trust funds administered by IFIs, and other international organizations, that respond to important needs that can occur outside of the U.S. budget cycle. The ability to be responsive and agile to new and emergent priority needs is key to the United States' ability to be a partner of choice and relevant in current challenges. The request also includes authority to transfer such funds for Treasury's participation in multilateral debt restructuring initiatives such as the Common Framework and Paris Club, and for Treasury's Office of Technical Assistance, which would allow the Department to mobilize additional resources quickly to address new and urgent priorities and to respond to crises.

Program Description

Requested resources will support Treasury in advancing U.S. leadership on issues of key strategic importance, such as safeguarding macroeconomic and financial stability, countering the influence of malign actors, supporting countries in fragile and conflict-affected situations, empowering women, and advancing economic and social inclusion. Funding provided through this account would enable Treasury to support innovative solutions to address such needs in a timely and efficient manner.

How Support to Treasury International Assistance Programs Promotes U.S. Interests

Experience during the COVID-19 pandemic made clear that global challenges, which transcend national borders and therefore affect the American people, can occur rapidly and call for a swift, effective, and coordinated international response. Treasury has seen firsthand how U.S. leadership is critical in shaping appropriate responses, galvanizing action and mobilizing resources from global partners, including key international organizations and stakeholders from both the public and private sector.

Treasury receives appropriations for contributions to MDB capital increases and replenishments and to other large-scale funds and facilities, but such contributions cannot be targeted or earmarked for specific themes or purposes. As a result, unlike other donors, Treasury is unable to contribute to more targeted initiatives that often provide significant influence for a modest cost, hindering our ability to shape important global agendas. For example, at the urging of the G7, the World Bank recently created a new multi-donor trust fund, called the Resilient and Inclusive Supply-chain Enhancement (RISE), that supports our developing country partners in building up their domestic critical minerals manufacturing processes. If we had TIAP funds in hand that would have allowed us to make an early contribution to RISE so that the U.S. would have been one of the founding members of this important initiative, which ultimately helps to diversify global critical minerals supply chains outside of China.

At a time when many developing countries have access to alternative, non-transparent sources of lending, we must lead the IFIs so that they continue to be the most prudent and sustainable resource for borrower countries. Appropriations for this new account would enable Treasury to address new and emergent needs that can occur outside of the U.S. budget cycle and enhance U.S. leadership at the IFIs and over other global initiatives.

Such needs include U.S. participation in multilateral debt restructuring initiatives. If a debt restructuring is requested under the Common Framework or Paris Club, Treasury needs to have the funds readily available to even participate in debt negotiations. With no seat at the table for the United States, other countries have more influence over outcomes that can potentially lead to unfair burden sharing, and can ultimately result in a negative effect on the financial position of the United States and the U.S. taxpayer.

Similarly, the budget includes a request for transfer authority to Treasury's Office of Technical Assistance which would enhance the Department's ability to quickly engage bi-laterally as significant and unexpected needs arise. This includes circumstances in which the Department would need to mobilize quickly and on a large scale to address new and emerging priorities and to respond to crises, particularly in countries and regions where Treasury technical assistance is critical to achieve U.S. security and economic objectives. This would include, for example, scaling up OTA's engagement with the Government of Ukraine, where the program has worked closely with other USG and international partners to support continuity of essential public financial management operations and to prepare for and respond to critical financial sector challenges resulting from economic disruptions caused by Russian's invasion of Ukraine.

The requested funding for TIAP will support Treasury in advancing U.S. leadership in galvanizing action and mobilizing resources from global partners, including key international organizations and stakeholders from both the public and private sector, and providing contingency resources in the event of an urgent call for debt restructuring and increased demand for technical assistance due to unexpected events and economic disruptions.

Annex 1: MDB Basics

What are the MDBs?

The United States is a member of several development institutions, including the following MDBs and other international financial institutions (IFIs) that support economic development and function like an MDB:

- African Development Bank Group (AfDB Group)[2]
- Asian Development Bank (AsDB)
- European Bank for Reconstruction and Development (EBRD)
- Inter-American Development Bank Group (IDB Group)[3]
- International Fund for Agricultural Development (IFAD)[4]
- North American Development Bank (NADB)
- World Bank Group[5]

MDBs are international financial institutions, and they differ from commercial banks in their mandate and structure. They are owned by both borrowing and non-borrowing countries and provide financial and technical assistance to developing countries, and also engage in policy dialogue to various degrees. The United States is the largest shareholder in the World Bank Group, IDB, EBRD, and IFAD; the co-largest shareholder (with Japan) in the AsDB; and the largest non-regional and second-largest overall shareholder in the AfDB.

What is Treasury's role?

In the U.S. Government, Treasury is charged with leading U.S. engagement in the MDBs. For the five largest MDBs in which the United States participates, a U.S. Executive Director (USED), who is based at each bank, is appointed by the President and confirmed by the Senate to represent U.S. interests, engaging daily in meetings at various levels and casting votes throughout the year. Treasury is a proactive shareholder and works closely with the USEDs to identify development priorities and priority institutional reforms, and provide financial and budgetary oversight of the institutions. Additionally, Treasury works with a wide-ranging interagency group to provide direction for how to vote on projects and policies to the USEDs. The Secretary of the Treasury traditionally serves as the U.S. Governor to each MDB, and votes on high-level institutional matters that involve major changes to the structure or financing of the organizations.

[2] The AfDB Group comprises the African Development Bank (AfDB) and the African Development Fund (AfDF).
[3] The IDB Group comprises the Inter-American Development Bank (IDB), the Multilateral Investment Fund, and the Inter-American Investment Corporation (IIC), which the IDB Group has rebranded as "IDB Invest."
[4] IFAD is an international financial institution and a specialized development agency of the United Nations.
[5] The World Bank Group comprises the International Development Association (IDA), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

How do the MDBs finance development projects?

Most MDBs have two financing facilities, which are frequently referred to as "windows" or "arms," from which they make loans, provide guarantees and other financial instruments, and provide grants: the "non-concessional" window (also referred to as "hard loan windows") and the "concessional" window (also referred to as "soft loan windows"). Some institutions have a third window for private sector operations, whereas others make private sector investments from their "non-concessional" windows. Each institution can also serve as trustee for specialized funds established at the request of member countries.

- The non-concessional windows primarily provide loans at market-linked interest rates to middle-income countries, such as Colombia, Egypt, Indonesia, and Botswana.
- The concessional windows provide some combination of grants, very low interest loans with long tenors, and a limited supply of market-linked loans to countries with per capita incomes below a certain threshold and that lack the creditworthiness to access other financing sources, including the non-concessional windows. The concessional windows for each MDB are: IDA (World Bank Group), the AfDF (African Development Bank Group), and Asian Development Fund (Asian Development Bank)

The United States is also a contributor to the International Fund for Agricultural Development, which functions like an MDB concessional window, and has a focus on agriculture, food, and rural development.

The EBRD, which is private sector-oriented, and the NADB do not have a concessional window, while the IDB provides both non-concessional and concessional funding from one window. The AsDB provides both non-concessional and concessional loans from its Ordinary Capital Resources; the Asian Development Fund (AsDF) provides only grants.

Which MDBs finance private sector projects?

The World Bank Group and IDB Group each include institutions that are solely focused on financing private sector projects:

- The IFC is the private sector financing arm of the World Bank Group. It promotes private sector investment in developing countries by making loans and equity investments in private-sector projects, mobilizing private capital alongside its own resources, and providing advisory and technical assistance services.
- MIGA is a member of the World Bank Group and is designed to encourage the flow of foreign private investment to and among developing countries by issuing guarantees against non-commercial risks and carrying out investment promotion activities.
- IDB Invest is the IDB Group's private sector financing arm. It promotes development of the private sector in Latin America and the Caribbean by providing loans and guarantees and making equity investments in private sector projects. It also mobilizes private sector capital along with its own investment activities and provides advisory and technical assistance services.

The AfDB and the AsDB can finance private sector projects out of their ordinary capital resources. The EBRD mostly finances private sector projects. The NADB finances private sector projects as well as projects sponsored by municipal and state level governments in Mexico and the United States.

How are the MDBs funded?

Countries are referred to as "shareholders" in an MDB and hold a certain percentage of shares, and therefore voting power, based on their contributions.

At times, shareholders provide new funding to support the non-concessional or concessional windows. This funding can take three forms:

- Donor replenishments
- General capital increases
- Selective capital increases

The United States' capital contributions, both "paid-in" and "callable," are catalytic in nature. Our capital contributions, combined with those from other shareholders, enable MDBs to achieve extremely strong credit ratings and to leverage their equity by borrowing from global capital markets at very low rates. This allows for significantly more financing available to developing countries at significantly lower costs than would be possible from their own market borrowing and bilateral assistance alone. Similarly, contributions from the United States to the concessional windows boost contributions from other donors and resources generated from the MDB itself, including investment income and loan reflows, catalyzing higher levels of grants and highly concessional loans for the poorest countries.

Donors may also make contributions to trust funds sponsored and administered by MDBs. (See next section.)

Donor Replenishments

Because the concessional windows provide most of their funding to the poorest countries as grants or very low-cost, long-term loans, these windows deplete their funding over time and require periodic "replenishment" by donor countries every three to four years. When fully funded, U.S. funding commitments are paid out in equal installments over the replenishment period.

General Capital Increases

Under a general capital increase (GCI), MDB shareholder governments decide to provide additional capital to support the MDBs' non-concessional or private sector windows by purchasing new shares in the institution. Unlike concessional windows, the non-concessional and private sector windows are expected to be more financially self-sustaining, requiring additional member state contributions less frequently, provided they follow prudent capital management policies. However, global and regional economic conditions or shareholders' desire to see an MDB provide higher levels of finance in support of particular aspects of a region's development agenda may lead to member countries negotiating to provide new capital to the MDB through a GCI. In these cases, member countries negotiate the total amount of additional capital required and the amount to be provided by each member.

The financing arrangements for GCIs are unique. Unlike replenishments, only a small portion of the total commitment is paid directly to an MDB. This portion is called "paid-in" capital, and typically ranges from 5-10 percent of the total increase. The pay-in period often ranges significantly (e.g., from three to eight years).

The remainder of the commitment is made in the form of "callable capital." Callable capital represents a financial commitment made by shareholders, but there is no actual transfer of funds. This capital is "callable" under limited and specifically enumerated circumstances to meet the obligations of the respective MDBs. These commitments are meaningful because they enable the MDBs to strengthen their credit ratings and reduce borrowing costs, and, in turn, lend to borrowers at rates lower than what they could obtain in the markets. No MDB has made a call on callable capital to date.

If a shareholder fails to purchase the shares that it decided to buy in the capital increase negotiations, the relative shareholding and voting power of that country will be diluted. Under the rules in place for most GCIs, voting shares are adjusted to reflect contributions as they come in from shareholders, such that delayed contributions will have an impact on the current voting shares. Any shares allocated to a country that are not paid for within the allotted subscription period are moved to the MDB's unallocated capital, potentially making these shares available for other shareholders to acquire. Several countries seeking to expand their influence in the MDBs have expressed an interest in purchasing shares when they become available in this manner.

Selective Capital Increases

A selective capital increase (SCI) is not intended primarily as a fundraising vehicle but is used to allocate new shares to effect changes in the relative voting power of members of an MDB or accommodate accession by new members. Unlike a GCI, where shares are allocated to members in proportion to their existing shareholding, countries subscribe to different levels of shares under an SCI to achieve the desired realignment in voting power. Countries may have to purchase shares under an SCI in order to maintain their voting power or limit dilution, but the total capital increase under an SCI is typically much smaller than under a GCI.

What are MDB Trust Funds?

Most MDBs administer trust funds, which accept contributions from donor countries, mostly in the form of grants, and are managed separately from the primary non-concessional and concessional windows of each MDB. MDBs maintain trust funds to meet key development challenges that are consistent with each MDB's mission that cannot be readily addressed by financing from its non-concessional or concessional windows or its budgetary resources. Most financing provided by trust funds is in the form of grants, though some trust funds subsidize lending by MDBs in cases where some degree of concessionality is justified (e.g., some climate change projects and assistance to countries hosting large numbers of refugees).

Trust funds finance a range of development needs, including:

- Financing global or regional public goods, such as projects focused on effects of climate change; global public health, including responses to and prevention of global pandemics; assisting countries in supporting large flows of refugees; and regional integration initiatives.
- Providing technical assistance and advisory services, including covering the costs of project development, and efforts to promote innovation;
- Targeted financing to support national reconstruction efforts in particular countries that are facing particularly significant resource needs; and
- Other development priorities that may not be adequately addressed by MDB loans, such as natural disaster risk reduction and recovery, food security, and promotion of gender equality and social inclusion.

Broadly speaking, there are three types of trust funds: single-donor trust funds, multi-donor trust funds, and Financial Intermediary Funds (FIFs). Single-donor trust funds and multi-donor trust funds have their own work plans and frameworks for measuring results and often have separate communications plans. Donors often have some involvement in governance of the fund (e.g., decisions on projects to be funded), but rules differ among institutions and between funds.

The World Bank also serves as trustee for a number of Financial Intermediary Funds (FIFs). FIFs are generally larger-scale funds that leverage a variety of public and sometimes private resources in support of high-profile global priorities related to climate change, health, food security, and natural disaster risk reduction and response. Examples of FIFs are: the Global Environment Facility (GEF), the Green Climate Fund (GCF), the Global Agriculture and Food Security Program, the Global Fund to Fight AIDS, Malaria, and Tuberculosis (the Global Fund), the Clean Technology Fund and the Global Concessional Financing Facility.

FIFs provide financing for projects that are implemented by multiple entities, often referred to as "implementing entities" or "implementing agencies," which often include the World Bank (serving as an implementing agency/entity), other MDBs, and U.N. Agencies. This system is designed to avoid duplication of costly institutional infrastructure and functions. FIFs differ from other types of trust funds as they are governed by separate donor committees or bodies, such as the GEF Council. In addition to its trustee and possible implementing agency roles, the World Bank also often provides administrative services for the hosting FIF secretariats or coordinating units, e.g., the GEF Secretariat. These units are legally part of the World Bank and are subject to World Bank staff and other administrative rules. A few FIFs support organizations that have separate legal personality, such as the Global Fund and the GCF.

Annex 2: FY 2025 Appropriations and Authorization Requests

Below is the proposed appropriations language and authorization for Treasury's FY 2025 request.

FY 2025 Appropriations Language

Multilateral Development Banks

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, $233,321,871, to remain available until expended: Provided, That of the amount made available under this heading, $206,500,000 shall be for the United States share of the paid-in portion of the increases in capital stock: Provided further, That of the amount made available under this heading, $23,821,871 shall be available for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of loan guarantees to the International Bank for Reconstruction and Development to support energy transition efforts, and $3,000,000 shall be available for administrative expenses relating to such loan guarantees.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $1,421,275,728.70.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $1,430,256,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury for the United States share of the paid-in portion of the increases in capital stock, $50,000,000, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increases in capital stock, $54,648,752, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $197,000,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS
The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $8,656,174,624.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND
For payment to the Asian Development Bank's Asian Development Fund by the Secretary of the Treasury, $43,610,000, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK
For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of loan guarantees to the Asian Development Bank to facilitate investment in energy security and resilience, $84,378,130, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK
For payment to the Inter-American Investment Corporation by the Secretary of the Treasury, $75,000,000, to remain available until expended: Provided, that such amounts may be made available for the United States share of an increase in the capital stock of the Inter-American Investment Corporation.

<u>International Monetary Fund – IMF Facilities and Trust Funds</u>

CONTRIBUTIONS TO THE INTERNATIONAL MONETARY FUND FACILITIES AND TRUST FUNDS
Any available amounts previously appropriated under this heading shall be available to cover the costs, as defined in section 502 of the Congressional Budget Act of 1974, of loans made by the Secretary of the Treasury to the Poverty Reduction and Growth Trust of the International Monetary Fund (IMF): Provided, That these funds shall be available to subsidize gross obligations for the principal amount of direct loans not to exceed $21,000,000,000 in the aggregate.

Any available amounts previously appropriated under this heading shall be available to cover the costs, as defined in section 502 of the Congressional Budget Act of 1974, of loans made by the Secretary of the Treasury to the Resilience and Sustainability Trust of the IMF: Provided, That these funds shall be available to subsidize gross obligations for the principal amount of direct loans not to exceed $10,000,000,000 in the aggregate.

UNITED STATES QUOTA, INTERNATIONAL MONETARY FUND
For an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 41,497,100,000 Special Drawing Rights, to remain available until expended.

<u>Quality Infrastructure</u>

CONTRIBUTION TO GLOBAL INFRASTRUCTURE FACILITY
For payment to the Global Infrastructure Facility by the Secretary of the Treasury, $5,000,000, to remain available until expended.

Energy and Environment

CONTRIBUTION TO THE CLEAN TECHNOLOGY FUND
For contribution to the Clean Technology Fund, $150,000,000, to remain available until expended: Provided, That up to $150,000,000 shall be available to cover costs, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans issued to the Clean Technology Fund: Provided further, That such funds are available to subsidize gross obligations for the principal amount of direct loans without limitation.

GLOBAL ENVIRONMENT FACILITY
For payment to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility by the Secretary of the Treasury, $150,200,000, to remain available until expended.

Food Security

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
For payment to the International Fund for Agricultural Development by the Secretary of the Treasury, $54,000,000, to remain available until expended.

Office of Technical Assistance

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE
For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961, $40,000,000, to remain available until expended: Provided, That amounts made available under this heading may be made available to contract for services as described in section 129(d)(3)(A) of the Foreign Assistance Act of 1961, without regard to the location in which such services are performed.

Debt Restructuring and Debt Relief

DEBT RESTRUCTURING
For "Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring" there is appropriated $10,000,000, to remain available until expended, for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees for, or credits extended to, such countries as the President may determine, including the costs of selling, reducing, or canceling amounts owed to the United States, pursuant to multilateral debt restructurings, including Paris Club debt restructurings and the "Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative": Provided, That such amounts may be used notwithstanding any other provision of law.

CANCELLATION
Of the unobligated balances from prior year appropriations made available under this heading for Sudan, $111,000,000 is hereby permanently cancelled.

Treasury International Assistance Programs

TREASURY INTERNATIONAL ASSISTANCE PROGRAMS
For an additional amount for contributions to international financial institutions, financial intermediary funds and trust funds administered by the international financial institutions, and other international organizations, $15,000,000 to remain available until September 30, 2026: Provided, That funds appropriated under this heading may be made available notwithstanding any other provision of law that restricts assistance to foreign countries and may be made available as contributions: Provided further, That funds made available under this heading may be transferred to and merged with funds provided under the headings “Department of the Treasury—International Affairs Technical Assistance” and “Department of the Treasury—Debt Restructuring” in title III of this Act: Provided further, That funds made available under this heading shall be subject to prior consultation with the appropriate congressional committees and the regular notification procedures of the Committees on Appropriations.

FY 2025 Authorizations and Other Legislative Requests

AFRICAN DEVELOPMENT FUND SIXTEENTH REPLENISHMENT

SEC. 7049. (a) AFRICAN DEVELOPMENT FUND SIXTEENTH REPLENISHMENT.—The African Development Fund Act (22 U.S.C. 290g et seq.) is amended by adding at the end thereof the following new section:
“SEC. 227. SIXTEENTH REPLENISHMENT.
“(a) IN GENERAL.—The United States Governor of the Fund is authorized to contribute on behalf of the United States $591,000,000 to the sixteenth replenishment of the resources of the Fund, subject to obtaining the necessary appropriations.
“(b) AUTHORIZATION OF APPROPRIATIONS—In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $591,000,000 for payment by the Secretary of the Treasury.”.

AFRICAN DEVELOPMENT BANK GENERAL CALLABLE CAPITAL INCREASE

SEC. 7050. The African Development Bank Act (22 U.S.C. 290i et seq.) is amended by inserting at the end the following new section:
“SEC. 1346. GENERAL CALLABLE CAPITAL INCREASE.
“(a) SUBSCRIPTION AUTHORIZED.—
“(1) IN GENERAL.—The United States Governor of the Bank may subscribe on behalf of the United States to 800,000 additional shares of the capital stock of the Bank.
“(2) LIMITATION.—Any subscription by the United States to the capital stock of the Bank shall be effective only to such extent and in such amounts as are provided in advance in appropriations Acts.
“(b) AUTHORIZATION OF APPROPRIATIONS.—For the increase in the United States subscription to the Bank under subsection (a), there is authorized to be appropriated, without fiscal year limitation, $7,800,000,000, for payment by the Secretary of the Treasury for callable shares of the Bank.".

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - AMENDMENT OF THE ARTICLES OF AGREEMENT

SEC. 7051. The United States Governor of the International Bank for Reconstruction and Development is authorized to accept an amendment to delete Article III, Section 3 of the Bank's Articles of Agreement.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT GENERAL CAPITAL INCREASE

SEC. 7052. The European Bank for Reconstruction and Development Act (22 U.S.C. 290l et seq.) is amended by adding at the end the following new paragraph:
"(13) Capital Increase.—
"(A) SUBSCRIPTION AUTHORIZED.—
"(i) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to 40,000 additional shares of the paid-in capital stock of the Bank.
"(ii) Any subscription by the United States to additional paid-in capital stock of the Bank shall be effective only to such extent and in such amounts as are provided in advance in appropriations Acts.
"(B) AUTHORIZATION OF APPROPRIATIONS.—In order to pay for the increase in the United States subscription to the Bank under paragraph (A), there are authorized to be appropriated, without fiscal year limitation, $439,100,000, for payment by the Secretary of the Treasury.".

ADDITIONAL SUBSCRIPTION TO SHARES OF THE CAPITAL STOCK OF THE INTER-AMERICAN INVESTMENT CORPORATION

SEC. 7053. The Secretary of the Treasury is authorized to subscribe on behalf of the United States to up to an additional 58,942 shares of the capital stock of the Inter-American Investment Corporation: Provided, That any subscription to such additional shares shall be effective only to such extent or in such amounts as are provided in this or any other appropriations Act: Provided further, That, at the conclusion of negotiations for an increase in the authorized capital stock of the Inter-American Investment Corporation to which the United States subscribes, the Secretary of the Treasury shall report to the Senate Committee on Appropriations, Senate Committee on Foreign Relations, House Committee on Appropriations, and House Committee on Financial Services the full dollar amount of the United States' subscription to additional shares of capital stock of the Inter-American Investment Corporation, and certify that the Inter-American Development Bank Group has made satisfactory progress toward reforms that increase the Inter-American Development Bank Group's responsiveness to the development needs of all borrowing countries in Latin America and the Caribbean, improve the effectiveness of the Inter-American Development Bank Group's financing, foster the development of a vibrant private sector in the region, help address global and regional challenges, and promote more efficient use of the Inter-American Development Bank Group's financial resources.

EXEMPTION OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION SECURITIES FROM SECURITIES AND EXCHANGE COMMISSION (SEC) REGULATION

SEC. 7069. (a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION.—Any securities issued by the International Development Association (including any guaranty by the Association, whether or not limited in scope) and any securities guaranteed by the Association as to both principal and interest shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) and section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)): Provided, That the Association shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Association and its operations and necessary in the public interest or for the protection of investors.
(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO CONGRESS—The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Policies, is authorized to suspend the provisions of subsection (a) of this section at any time as to any or all securities issued or guaranteed by the Association during the period of such suspension: Provided, That the Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section.

INTERNATIONAL MONETARY FUND NEW ARRANGEMENTS TO BORROW

SEC. 7087. Section 17(a) of the Bretton Woods Agreements Act (22 U.S.C. 286e–2(a)) is amended—
(1) in paragraph (3), by adding the following at the end: ": Provided, That of the amounts authorized under this paragraph, the authorization for the dollar equivalent of 9,186,740,000 Special Drawing Rights shall expire as of the date when the rollback of the United States' credit arrangement in the New Arrangements to Borrow of the International Monetary Fund is effective, but no earlier than when the increase of the United States quota authorized in section 74 of the Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) becomes effective"; and
(2) in paragraph (6), by striking "December 31, 2025" and inserting "December 31, 2030".

INTERNATIONAL MONETARY FUND QUOTA

SEC. 7088. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end the following:
"Sec. 74. (a) IN GENERAL.—The United States Governor of the Fund may consent to an increase in the United States quota in the Fund of the dollar equivalent of 41,497,100,000 Special Drawing Rights.
"(b) SUBJECT TO APPROPRIATIONS.—The authority provided by subsection (a) shall be effective only to such extent and in such amounts as are provided in advance in appropriations Acts.".